

152

ACCESS TO CREDIT IN "DISTRESSED" COMMUNITIES

Y 4. SM 1:103-33

Access to Credit in "Distressed" Co...

HEARING

BEFORE THE
SUBCOMMITTEE ON MINORITY ENTERPRISE,
FINANCE, AND URBAN DEVELOPMENT
OF THE
COMMITTEE ON SMALL BUSINESS
HOUSE OF REPRESENTATIVES
ONE HUNDRED THIRD CONGRESS
FIRST SESSION

COMPTON, CA, JUNE 25, 1993

Printed for the use of the Committee on Small Business

Serial No. 103-33



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ACCESS TO CREDIT IN "DISTRESSED" COMMUNITIES

FRIDAY, JUNE 25, 1993

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON MINORITY ENTERPRISE,
FINANCE, AND URBAN DEVELOPMENT,
COMMITTEE ON SMALL BUSINESS,
Washington DC.

The subcommittee met, pursuant to notice, at 9:50 a.m., at Compton City Hall, 205 S. Willowbrook Avenue, City Council Chambers, Compton, CA, Hon. Kweisi Mfume (chairman of the subcommittee) presiding.

Chairman MFUME. Ladies and gentlemen, good morning, and welcome to this hearing of the Subcommittee on Minority Enterprise, Finance and Urban Development. I'd like to thank you for being here and thank also the members of this committee who have traveled a great distance to join us this morning. I'm pleased to welcome you to today's hearing, and pleased also that it is our first field hearing and that it's being convened here in this congressional district in California, a district now represented by former mayor of Compton, my colleague and friend Walter Tucker, III. Although Walter, as many of you know, is serving in his first term in Congress, he has already demonstrated leadership and a tenacious commitment to work toward solutions to critical problems that are confronting urban America that we believe will serve him and his constituents well over the years to come. He is a valued member of this committee. We look forward to and respect his wisdom and his insight. It's a pleasure for this committee to join him and to join all of you here in Compton today.

Today's hearing will focus on concerted efforts by the Small Business Administration and private lending institutions to provide credit to economically distressed communities through loans, to small and minority businesses and, through other innovative methods, utilizing public and private sector resources. Small business development is central to the recovery and sustained growth of our economy in this country. Minority business development in particular is essential for economic revitalization of urban city communities where crime is commonplace and unemployment levels continue in an upward trend, a trend that is intolerable in many respects.

Given that many of you and many other residents across this country who reside in urban communities tend, as many of us are, to be members of ethnic minority groups, we believe that the per-

sistent negative stereotype and the racial barriers further hinder us and our Nation, quite frankly, with respect to social and economic progress. It has been estimated that small businesses, as most of you know, provide at least two-thirds of all new jobs in this country, and firms of fewer than 20 employees contribute most of the employment opportunities.

As large firms reduce and restructure their work force, the role and importance of small minority businesses become even more critical to our Nation. Hence, this realization makes the issue before our subcommittee today fundamentally important to all citizens of this Nation. Without access to capital, small and minority owned business concerns cannot grow, expand, or provide employment opportunities that urban residents so desperately need.

As chairman of this subcommittee, I am deeply committed to insuring that Federal policies promote the formation and the development of minority owned businesses in our major cities, which ultimately fosters domestic tranquility. I, like many of my colleagues on this committee, have long been concerned about the availability of credit to minority businesses and the minority business marketplace. This subcommittee's jurisdiction requires that we focus particular attention on this issue because it largely determines the ability of minority firms to grow and to prosper. It has been demonstrated that minority owned businesses confront more obstacles in obtaining capital than small nonminority businesses in general. Some have even suggested that the disparity in the total number of minority-owned businesses as compared to the overall minority population, is creating societal problems affecting families, neighborhoods, unemployment, crime, and the general welfare of our cities and of our Nation as a whole.

While the United States has spent over 2 years in a slow economic recovery, the small and minority business community has been, and continues, in my estimation, to be plagued by a chronic and debilitating capital crisis. Although there has been much rhetoric tossed about, particularly following the civil rebellion which occurred here last year, the problem continues unaddressed, in our opinion, in any realistic way in urban and rural communities all across this Nation. I have heard first-hand concerns of minority businesses that suggested both equity and debt capital are in short supply. When debt capital is made available, it is relatively more costly to this segment of the business community, in contrast to the experience of nonminority business owners.

In its 1992 report to Congress and to the President, the U.S. Commission on Minority Business Development stated, and I quote, that "minority business which historically start out under capitalized, quite often find it next to impossible to secure financial assistance to grow and expand their companies." Moreover, access to capital and credit for minorities in businesses is at the heart of resolving many of the problems in American that are both economic and social.

I would be, therefore, unreasonable to suggest that as a result of the testimony we receive today, members of this subcommittee will be prepared to develop comprehensive strategies to address the many ills facing our communities; however, we are very much committed to focus the attention of Congress and the Executive Branch

and, for that matter, to the entire business community, on the economic development needs in our urban centers and to propose solutions that are meaningful and desirable for all concerned.

This morning, we will hear from a senior official from the U.S. Small Business Administration who will give us an overview of available programs that promote small business development. He will also share with us the measures taken by the SBA in response to the unique needs in the Los Angeles small business community. We will also hear today from local private lending institutions who have been widely recognized as being the avant garde of providing credit to underserved communities here in Los Angeles and in the Los Angeles area. Finally, we will hear from a local entrepreneur and civic leader who will share his personal experiences in developing coalitions to revitalize communities throughout the greater Los Angeles County area.

Before I introduce witnesses, I would, however, like to introduce members of this subcommittee. Those members, as you know, have traveled a great distance to be here and are very anxious to participate in this hearing. I would be remiss if I did not yield first for opening remarks to my colleague, who represents this area, Walter Tucker, who I spoke about earlier in my remarks. Again, it's the pleasure of this subcommittee to have him as a member and to participate in these hearings in his district. Congressman Tucker.

[Chairman Mfume's statement may be found in the appendix.]

Mr. TUCKER. Thank you very much, Mr. Chairman. This is an opportunity and an occasion that is unparalleled and unprecedented. It is most certainly a time for me of personal excitement and personal interest. This is the edifice and the hall in which I served for a year-and-a-half as mayor of this fine city, the city of Compton, and this is the seat that I served in many a nights of great battle and great political discussions. But now I come back here as the native son to represent the interests not only of Compton, but of this entire district and this entire country as well, as a U.S. Congressman.

I want to congratulate Chairman Mfume, who is not only the chairman of the Subcommittee on Minority Enterprise, Finance, and Urban Development, but who is, and has distinguished himself as a very preeminent leader as the chairman of the Congressional Black Caucus, which of course is a national organization. We're so happy to have other Congress Members here representing the Black Caucus and also representing this subcommittee. We have, of course, and not to get too far ahead of you, Mr. Chairman, but I want to congratulate to my left, Congressman Earl Hilliard from Alabama for being here and showing a commitment and conscientiousness to be a part of this hearing.

Also, to my far right, it gives me great pleasure to recognize and introduce to you the youngest Member of Congress, black, white, or otherwise, and that is none other than Cleo Fields from the State of Louisiana. Once again, this is a part of and, in fact, the kick-off of history in the making, and that is, the Black Caucus, coming to Los Angeles for the very first time in history. The Black Caucus' Public Policy Conference will take place at the Airport Hyatt Hotel that will be going on this entire weekend. This is the first event of what promises to be a very eventful weekend, and once again, I

want to congratulate Chairman Mfume, and I want to congratulate the staff members for all the work that they have done, and we look forward to the testimony of the participants.

Chairman MFUME. Thank you very much, Walter. I'll take a minute to sort of reintroduce following the remarks of Mr. Tucker, in alphabetical order the other two Members of Congress who are here with us and to advise you that to my immediate right and to your left is Bruce Gamble, the Staff Director of this subcommittee. Joining us from the State of Louisiana, as you heard earlier, is Cleo Fields, who has really juggled her schedule this morning and who is supposed to be part of another hearing that's taking place out at the airport and is here instead as a member of this subcommittee, a rather distinguished member, to participate in today's hearing. Mr. Fields from Louisiana.

Mr. FIELDS. Thank you, Mr. Chairman. I want to also thank you, Mr. Tucker, for giving us the opportunity to come to a fine place called Compton, and also a fine place in your congressional district. It's always good to be a part of a district that's moving and economical development is certainly an aspect that we must deal with today.

I want to also thank you, Mr. Watkins and other members of the panel for being here this morning. I've had the opportunity to meet with Mr. Watkins, and we've talked about several economic development aspects of the African-American community. We've also talked about the 8(a) Program which is very important to this community as well as this country. We've had an opportunity to talk about how we can get the SBA to network with colleges and universities, particularly historically black colleges and universities across the country, because I do think a place where you can get a lot of research as well as a place where you can also serve as a nucleus and educational platform for a bunch of kids, a bunch of college students.

Last, I'm concerned about the credit, that many businesses find themselves in a credit crunch because they're not able to borrow the necessary moneys to expand their business, and that's something that I'm sure that we'll get into later on in this hearing. I just want to thank you, Mr. Watkins, along with Mr. Hilliard and Mr. Bernard. I want to thank each of you for being here. Mr. Chairman, it's a pleasure to be here, and Walter, thank you for the invitation to your district.

Chairman MFUME. Thank you very much, Mr. Fields. Thanks for adjusting your schedule also to be a part of this hearing. We appreciate that. Finally, let me introduce to you the other member of this committee, Earl Hilliard, who is from the State of Alabama and a former distinguished member of that State's legislature. He is a contributing member of this committee. We are very happy that he could find it in his schedule also to come out here to Compton and to be with us this morning. The gentleman from Alabama, Mr. Hilliard.

Mr. HILLIARD. Thank you very much, Mr. Chairman. Mr. Chairman, I'm very happy to be here, and I'd like to thank Congressman Tucker for the invitation that he extended to this committee to come and talk about a subject that is very dear to America. If we are to strengthen America, we must make sure that we reveal or

inner cities. We must make sure that we save our rural communities. In order to do that, we must make sure that we extend credit to everyone, that everyone has equal access, that there is no question about our Federal agencies participating, and making sure that everyone can be enhanced. So, I'll say that it is good to have you hear to talk about this issue and to bring it to inner-city America. Thank you very much, Mr. Chairman.

Chairman MFUME. Thank you very much, Mr. Hilliard. Let me advise persons here also that we are being joined by Allison Baird, who is a professional staff person with the ranking member of this subcommittee, Mr. Machtley. She is representing him and the other side of the capacity this morning, and we are certainly glad to have her here as well.

Our witnesses on the first panel include Dayton Watkins, Counselor to the Administrator of the SBA, accompanied by Bernard Kulik, assistant administrator for Disaster Assistance, and Mike Lee, district director of the Los Angeles District Office. We'd like to begin with today's testimony. Mr. Watkins, won't you proceed in any manner that you see fit?

TESTIMONY OF DAYTON WATKINS, COUNSELOR TO THE ADMINISTRATOR OF THE SBA; ACCOMPANIED BY BERNARD KULIK, ASSISTANT ADMINISTRATOR FOR DISASTER ASSISTANCE, AND MIKE LEE, DISTRICT DIRECTOR OF LOS ANGELES DISTRICT OFFICE.

Mr. WATKINS. Thank you very much, Mr. Chairman, distinguished members of the subcommittee. Before I start, I'd like to do two things. One, I have already submitted to the subcommittee, Mr. Chairman, the testimony that I wanted to enter into the record. It's quite lengthy, and what I have done is summarized it, and if it's to your pleasure, I'd like to give the summary testimony as opposed to reading the entire testimony.

Chairman MFUME. That would be fine. The entire testimony will appear in the record, and you may summarize as you see fit.

Mr. WATKINS. Thank you very much. Second, I think it's very important that I begin by setting the tone for the administration. As you know, President Clinton has voiced on many occasions how important diversity is to America. He has demonstrated this through his appointment of senior level officials throughout the Government, at Cabinet level, sub-Cabinet level, undersecretaries, assistant secretary levels. He has voiced his belief that diversity in America is important and key, not just in the employment of members in his Cabinet. What he is attempting to do is to set the tone for America, to let all Americans know that diversity is a strength and not something else. So, what that would mean to me and what it means to us at the SBA is that it is not just good for the Federal Government to believe in diversity throughout the employment, but also in corporate America, it is also very important that diversity be a main issue with regard to employment, with regard to opening up procurement opportunities that are available for small and minority owned businesses throughout the country.

It is indeed a pleasure for me to be here. I think that I am an agent of change, and I certainly know that members of this sub-

committee are agents of change, and you are also demonstrating that by holding this first Black Caucus hearing here in the city of Los Angeles. I want to commend you on doing that.

Chairman MFUME. Mr. Watkins, let the record reflect that this is a hearing of the subcommittee and not the Black Caucus.

Mr. WATKINS. I'm sorry. I stand corrected. Mr. Chair and distinguished members of the subcommittee, I am Dayton Watkins, Counselor to the Administrator of the U.S. Small Business Administration, and formerly the acting administrator for the Small Business Administration before the SBA and president appointed and confirmed Mr. Erskine Bowles. Mr. Bowles sends his regrets that he could not be here. He has a conflict in his schedule, and he asked me to come in representation of the Small Business Administration.

With me I have Mr. Michael Lee, who is the District Director of the Los Angeles SBA office, Mr. Bernard Kulik, who is our Assistant Associate Administrator for Disaster, and a whole host of our Los Angeles office staff are here as well, and they will assist me and us as we continue through this hearing.

Mr. Chairman, this year marks the 40th anniversary of the U.S. Small Business Administration. From early in the history of this agency, it has used a variety of programs to promote the growth and progress within the minority business community. In the late '60's, the SBA's minority small business program was expanded to bring business development and Federal contract procurement opportunities to our 8(a) Program participants. I am very proud to be a part of the agency. I am proud certainly to be a part of the Clinton administration. There are tremendous opportunities that are facing us today, and we certainly will take advantage of those opportunities.

This record of achievement of the SBA continues, and under the Clinton administration, we know that we must do more. The Clinton administration is committed to strengthening the initiatives we have available for minority business community. President Clinton understands that not only is it right to take this course, but also that it is in the best interest of America to make sure that every American has the opportunity to contribute to the full extent of their talents. One of the ways we promote this business development, Mr. Chairman, is through our well used loan guarantee programs, which I would like to review briefly for you this morning.

The first is our 7(a) loan guarantee program. Loans through this program are made by private lenders, usually banks, and are guaranteed up to 90 percent by the Small Business Administration. The 7(a) Program helps the lender make loans that do not normally fit under bank rules, and is particularly helpful in cases where the business is a startup. The loan has a longer maturity, or there is a concern about the sufficiency of collateral. A breakdown of the Los Angeles County by minority group based on the number of loans approved thus far in fiscal year '93 shows a distribution of approximately 3.9 percent of loans to African-American entrepreneurs, 10 percent to Hispanic entrepreneurs, 28.3 percent to Asian entrepreneurs, and .4 percent to Puerto Rican entrepreneurs. The SBA recognizes that we can do better. We want to continue to expand our

outreach efforts by working with community leaders and the members of this committee.

A second loan program administered by the SBA is the certified development loan program, or 504 Program, which provides permanent fixed rate financing for businesses needing to acquire property or long term fixed assets. The requirement for borrowers of this program is that one job be created for every \$35,000 in loans made. There are four CDC's in the Los Angeles area participating in this program.

The Los Angeles district office generally leads the Nation in loan guarantee approvals. In fiscal year 1992, SBA approved 1,035 business loans in the Los Angeles County for \$411 million.

A third loan initiative, the SBA's microloan program is a relatively new and innovative offering that was developed for situations where a small loan can make a big difference. Loans range from less than \$100 to a maximum of \$25,000 and averaged approximately \$10,000. This program was begun approximately 1 year ago, and is still a pilot program. SBA is restricted to making loans to four intermediaries per State at the present time. California currently has four microloan lenders.

As of April 30, SBA had made loans to 47 microloan intermediaries for \$16.6 million. These intermediaries have dispersed \$3.1 million to 308 small businesses. The average loan amount was \$10,118. Thirty-three percent of the loans were made to businesses owned by African-Americans

Now, to speak a little bit about our disaster response to the civil disturbance in the Los Angeles area in April 1992. In the wake of a physical disaster such as Los Angeles civil disturbance, the SBA is the primary form of Federal long term financial assistance for non-fund private sector losses. This assistance is not limited to small businesses. It is available to homeowners, renters, businesses of all sizes, and nonprofit organizations to fund the repair and replacement of much of the property that is damaged or destroyed in a disaster. No upgrading of a business or private residence is permitted unless it is required by the local building code, and since the passage of Public Law 100-359, the SBA may not make disaster loans to individuals or businesses that voluntarily relocate outside of the disaster area.

In general, the SBA tries to make the process of applying for a disaster loan as easy as possible. SBA disaster assistance is provided by a separate, highly mobile division in the agency whose sole function is making disaster loans. In all disaster situations, we send trained personnel to the disaster site. In the Los Angeles situation, the disaster application centers and the workshops operated continuously during the day and the evening and on weekends. At one time, SBA had more than 300 employees working solely on this disaster.

In the disaster program, we do not keep statistics on loans approved to specific ethnic groups, however, we estimate that between 42 to 48 percent of the applicants or borrowers were Asian-American, mostly Korean, that between 16 and 20 percent were Hispanic. This leaves 32 to 42 percent of all applicant borrowers that cannot easily be placed in a specific ethnic category. We have extrapolated a number, but I am not comfortable, Mr. Chairman,

with that number, so I would prefer to leave it at the fact that we have not been able to determine the ethnic make-up of the remaining 32 to 42 percent. It is certainly something that we will begin to look into.

We are proud of the work of our disaster program. It succeeds under the most demanding conditions, balancing the needs of victims and the community. Although we must consider cost and the safety of Government funds, we are as compassionate as possible.

With regard to community outreach efforts and business development activities following the civil unrest, the Los Angeles district office took the lead with local SBA lenders in forming a lenders coalition. As a direct result of these efforts, Founders Bank, the only African-American owned bank in Los Angeles, was recruited and certified as an SBA guaranteed lender on May 21, 1992. Technical assistance has been provided to fund Founders Bank to expedite loan processing. Founders Bank has submitted three 7(a) loans for \$527,000 to date. All three loans were made to African-American entrepreneurs.

In May, 1992, Judith Watts, our associate administrator for minority small businesses and capital ownership development, traveled to Los Angeles to determine how her program might be helpful. She met with the local minority business community and the trade associations, including the Asian-American Association, Young Black Professionals, the Black Business Association, the Latino Business Association, and others. Out of the meetings came proposals for a program that we have in her jurisdiction called 7(j). That program provides funding for management and technical assistance projects. We have received two applications from Los Angeles organizations, one from K-West Associates and the city of Los Angeles Office of Economic Development, who are very interested in becoming 7(j) management consultants. We are in the process of completing our review and approval of those applications now.

Mr. Chairman, this concludes my prepared remarks. I am pleased to respond to any questions you may have.

[Mr. Watkins' statement may be found in the appendix.]

Chairman MFUME. Mr. Watkins, thank you very much. I do have several questions, and then I will yield to other members of the committee. Let me, if I might though, go back to page 15 of your formal testimony and part of your summation, at the bottom of that page when you talk as you did a moment ago about the disaster program. Can you tell this committee why SBA does not keep statistics of loans approved to specific ethnic groups with respect to the administration of those disaster loans here in the greater Los Angeles area?

Mr. WATKINS. Mr. Chairman, I personally can't do that, but I have Mr. Kulik here, who could probably respond to that.

Chairman MFUME. Mr. Kulik?

Mr. KULIK. Mr. Chairman, it's not a matter of not keeping these statistics for the Los Angeles area. The program did not at that time keep the statistics for business loans. We are in the process of changing that right now. Because many of our loans come in from various sources. When we interview applicants, we are never sure whether the person we're interviewing is the applicant in person or representative of the applicant. Most of our applications, are re-

turned to us by mail. There is no chance to make that identification.

Chairman MFUME. Do you mean I could make an application for a loan under the disaster loan program, I could do it by mail and conceivably get it approved without you ever seeing me?

Mr. KULIK. Yes, sir.

Chairman MFUME. How long has that been a practice?

Mr. KULIK. Since the program has been in operation.

Chairman MFUME. Mr. Watkins, is there a review on the Federal level at the SBA with this, and is it happening in other places? It makes it very difficult for this Congress to be able to try to make an assessment of the effectiveness of the program if, as I am told in this instance with regard to disaster loans, people can by application make application for the loan, have it approved through the mail, and never see anyone at the SBA, and we never see them. I mean, I just find that almost unbelievable, to say the very least.

Mr. KULIK. Mr. Chairman, we agree with your comments, and that has been—the process of changing that has been started, and commencing with the new fiscal year, we will be collecting that information.

Chairman MFUME. Now, is there any way existing now—we know how many loans were made during that time and who got the loans—to be able to put together information outside of the statistics which were range statistics, Mr. Watkins, that you used. I mean, can we get any specificity with regard to that? It's the sort of thing that becomes indefensible with many of my colleagues who are not here who would look at that and say that the Government is not providing proper oversight.

Mr. KULIK. Mr. Chairman, we can estimate based on our observations, but other than going back through our records and checking names, there is no way of doing it. We could, perhaps, go back through each application and collect that information.

Chairman MFUME. What was the total amount of money that was lent in that disaster program? Did I hear \$412 million or something like that?

Mr. KULIK. No, sir. \$326 Million has been approved for loans thus far.

Chairman MFUME. When you say approved, you mean the loans have gone out?

Mr. KULIK. No, sir.

Chairman MFUME. Or there are some in the pipeline?

Mr. KULIK. The loans have been approved. There are at this point only 76 applications still pending.

Chairman MFUME. OK. Let me move on. I know there are other members who have questions, and I have a couple of others. Mr. Watkins, could you explain to the subcommittee how the Small Business Administration, whether here in the greater Los Angeles area or anywhere else, recruits lenders to participate in the 7(a) Program, and give us an idea of what kind of criteria is required?

Mr. WATKINS. Yes, Mr. Chairman. We encourage, we go out marketing the programs to financial institutions throughout America, and we encourage them to consider participating in our 7(a) Program in terms of being our either preferred to certified lender. In order to become a participant in our program, you have got to dem-

onstrate for us that you can, in fact, process the loans in a manner that's consistent with our regulatory and legislative responsibilities. Therefore, we require that we review your performance before you are, in fact, committed to become a preferred to certified lender. That review period is usually a year, maybe 2 years.

Chairman MFUME. So, it's a nationwide outreach effort by the SBA to do improvement on this?

Mr. WATKINS. It's a nationwide outreach effort. I can't speak to the efforts that were instituted in the past. It's my understanding that right now we have something like 750 financial institutions that are participating in the 7(a) Program that are either preferred or certified lenders.

Chairman MFUME. Now, how many are in the greater Los Angeles area?

Mr. LEE. I believe that we're working with about 200 community banks, but our active banks, I think it's a lot smaller number. Active banks, about 25, but in terms of our district, we go out and actively solicit all banks that would qualify, and if they're interested, then we would review them and sign them on.

Chairman MFUME. Well, Mr. Watkins and Mr. Lee, let me just follow up on that. The review of the institution's performance that you spoke about a moment ago, does that also include a review of the institution's community reinvestment statistics?

Mr. WATKINS. Mr. Chairman, I would have to get back to you with an answer on that. I personally don't know.

Mr. LEE. I don't believe so. It's basically, their financial performance and their business performance and their ability to properly execute the SBA 7(a) Program.

Chairman MFUME. Well, let me just give you why I feel——

Mr. LEE. Could I just say——

Chairman MFUME. Go ahead, Mr. Lee.

Mr. LEE. One thing is that what we try to do is to, recognizing that there are certain portions of the community that are underserved, actively seek out banks that are active in those areas. That's what we try to do in terms of encouraging more participation in the underserved areas to look for those banks that we believe are making an effort to serve that part of the public.

Chairman MFUME. Well, I appreciate that, and it's good to look at how they may be serving, but you know, my concern goes back to the Community Reinvestment Act. Are we rewarding financial institutions by allowing them to participate in the 7(a) Program and not in any way along that path looking at what they're doing to comply with community reinvestment, only to look at their ledgers and whether or not they're properly operating in a fiscal manner?

Mr. WATKINS. Mr. Chairman, if I may, as I've indicated earlier in the testimony, my stint at the SBA has been relatively short. I've been there since January 21, and my limited knowledge has not revealed to me any direct effort that the SBA has employed in seeking out financial institutions that are heavily involved in community reinvestment programs. It does not—I have not seen any information that suggests to me that that is a criteria that we use. I do know that in our 504 lending program, we use certified community development corporations. These corporations are nonprofit entities

that normally exist in urban environments where there is a tremendous need and where there is some community reinvestment activity going on. We can certainly find out if we are actively involved in a community reinvestment program and if we encourage our financial institutions to do that.

Chairman MFUME. Well, I would hope that in your conversations with the administrator of the SBA that you express to him that there is concern within this committee that in the general review of an institution's performance to decide whether or not they can participate in the 7(a) Program, that one of the things we review are the CRA statistics, and if those statistics are not in compliance with the law, that they not be allowed to participate in the program. I mean, the reason the Congress in 1977 established this Community Reinvestment Act and the reason it continues to come up in testimony and hearings is because of the way they seem to get around it and not provide full implementation.

I'm going to yield at this time—maybe we'll do a second round of questions, Mr. Watkins, because I do have some other concerns about the 7(a) Program and other aspects of your testimony. Let me yield to the gentleman from California, Mr. Tucker, for any questions or comments he may have.

Mr. TUCKER. Thank you very much, Mr. Chairman. Those were very good questions and points that you have raised. I have a couple of questions, and then there are a couple of questions that were asked of me by some of my constituents. The first question that I ask of you, and I asked of Mr. Bowles when he testified before in the full Small Business Committee, has to do with the microloan program. Some of the vernacular that you used today is what I heard back in Washington, DC as it relates to it being a pilot program. The question I had for him and I ask to you today is why do we continue to characterize that program as a pilot program when, in effect, as far as my information goes, I can see that it is a significant program and a successful program and something that needs to be, from all appearances, operating in full force and effect? How much more information do we need and how much more do we have to do before we realize that this is a highly significant program, particularly to people of color?

Mr. WATKINS. Excellent question, Congressman. We refer to the microloan program as a demonstration program because in its creation, Public Law 102-366 as amended, that law created a 5 year pilot program for the microloan program. The program has been in effect for a year, and to my knowledge, it is still under that legislation enactment.

Mr. TUCKER. Does that legislation dictate or prescribe the financial limits or the funding of it shall I say? I think you mentioned something to the tune of \$16.6 million in total microloans. Are there certain caps on how many microloans you can make?

Mr. WATKINS. The program allows us to make loans to startup businesses, newly created businesses, expanding businesses that are owned by women, low income, and minority entrepreneurs who have a good idea that they want to go into business and nourish. The program or the law allows us to make loans from \$100 up to \$25,000. The average loan, though, our experience to date, the average loan has been \$10,118.

Mr. TUCKER. My question is, can we anticipate more microloans happening in this fiscal year, and this question connects also with another question which is, assuming that there is the refunding of the SBA, I know the 7(a) Program is up for refunding for \$181 million, will any of that money be available for microloans, or will that be exclusively eligible for 7(a) loans?

Mr. WATKINS. The microloan program usually has its own appropriated funding sources.

Mr. TUCKER. Separate?

Mr. WATKINS. Separate, and I think it has averaged \$15 million a year. Last year in '92, it was \$15 million.

Mr. TUCKER. Can we expect it to go up in this fiscal year, or are your projections such that you believe it will be pretty much the same?

Mr. WATKINS. As a part of our '94 budget, I believe our request, the administration request, was for \$15 million. So, I don't think that we're projecting that is going to go up.

Mr. TUCKER. Now, just quickly, and then I'll turn it over to a couple of other members of the committee, I noticed in your opening remarks that you made comments and overtures about outreach, particularly with respect to 7(a), and obviously also in your opening statement which was submitted for the record, you shared with us some of the statistics, some of which I grimace over, particularly as it relates to the breakdown on participation by African-Americans, which is a dismal 3.9 percent. Can you tell us what we can expect in terms of an improvement, marked improvement in that kind of participation? What kinds of things can you tell us that we would be able to look for some kind of improvement in that area, significant improvement?

Mr. WATKINS. Yes, Congressman. As I opened my testimony, I indicated that the President is demonstrating through actual performance his leadership in the area with regards to ethnic diversity and opening opportunities in employment and the procurement arena in America for minority entrepreneurs. I think that's going a long way. What I have experienced in the past prior to this administration is that there has not been an environment that was conducive to minorities expanding business opportunities, going into business, having the opportunities to have access to credit, both in the Federal Government and outside of the Federal Government.

I think that through the President's leadership and through the leadership that Erskine Bowles will bring to the SBA, that we will begin to enforce and to require financial institutions that are participating in our programs to do more marketing, to do more outreach, to bring in more successes for us in the African-American and the entire minority community. We are well aware that minority businesses throughout this country have suffered because there has not been an environment conducive to them getting access to capital or access to credit.

As the Federal Government, our responsibility is to see that that is changed. We will employ whatever efforts that we can to see that that's done, but the way the 7(a) Program is administered, the applicants are actually going to financial institutions, and they are applying at those institutions. We rarely, if ever, see an applicant

who is interested in obtaining a working capital loan or any start-up funds for a business idea. So, our liaison, our partner in this whole available credit initiative, is actually to financial institutions, and I think that certainly one of the things that Erskine Bowles is going to do, he's going to have town hall meetings across the country starting next month. At those town hall meetings, he is setting aside a specific time in each city that he's going in, and he is going to meet with bankers just solely bankers, to talk to them and find out what problems they are having, and also to let them know what our goals, objectives, and initiatives are going to be second and third, to encourage more financial institutions to get involved in the 7(a) Program. There are 750 approximately participants in our program, but there are over 11,000 financial institutions in the United States. It's absolutely ridiculous that more of them are not participating in the 7(a) business program.

The second point that I'd like to go on record as saying is that, the SBA 7(a) Program has grown tremendously. I mean, this year it's 30 percent higher than it was in 1992. The Federal Government is the only entity that's providing financial assistance and capital to small businesses, to African-American, to Hispanics. The private sector is not involved in providing loans to small businesses. Last year, the financial institutions generated \$38 billion in profits. Those profits did not go into small business loans. They didn't go into minority business loans. So, we are really being faced with being the lender of the first resort, and we're running out of money. We can't be all things to all people, but we certainly can do more for the minority community than we've done in the past, and we are going to make those efforts.

Mr. TUCKER. Let me just say, I appreciate those comments because that was the gist of the area that my question was directing, and particularly the information I have is that during, for example, the rebellion a year ago, that financial institutions such as Founders, through some type of, I guess, emergency certification process through SBA, were able to become a part of that loan process program, 7(a) Program. If we can expand, whether it's under emergency egest or some other type of phenomenon, expand the participation and enfranchisement of particularly institutions that we might regard as secondary market institutions, I think it would go a long way to providing the kind of access to capital credit that we're all here to be concerned about.

The last question I have, and this is probably a quick question, I've heard time and time again, and out of ignorance I really want to know your answer to this question, testimony that indicates that the refunding of the 7(a) Program, hopefully to the tune of \$181 million, would in effect capitalize and leverage much more funding to the tune of some billions of dollars. Could you explain how that works? We're talking about \$180 million. How is that leveraged to capitalization?

Mr. WATKINS. The Federal Government, by statute several years ago, moved from direct loan programs to credit programs. What we can do with \$181 million is merely to provide the insurance, if you will, to leverage \$3.6 billion in additional leverage or capital that banks will make available to small businesses. Now, the credit reform law required that we create a reserve, if you will, to protect

the Federal Government against losses for any loans that will, or that my, in fact, go bad. So, in the supplemental appropriations bill that the President sent to Congress, he asked for \$181 million that would leverage \$3.6 or \$3.8 billion in additional capital that could be made available to small businesses.

Mr. TUCKER. Thank you very much, Mr. Watkins, and thank you very much, Mr. Chairman.

Chairman MFUME. Thank you very much. The Chair recognizes Mr. Fields of Louisiana.

Mr. FIELDS. Mr. Watkins, I would like to ask a few questions about the 7(a) Program. One, the appropriation is somewhere in the neighborhood of \$181 million for fiscal year 1993, right?

Mr. WATKINS. That was the supplemental request.

Mr. FIELDS. Right.

Mr. WATKINS. Yes.

Mr. FIELDS. Now, the next question is, let me see if I have a full understanding of how the 7(a) Program works. You are guaranteed or SBA guarantees anywhere from 90 percent of a—up to 90 percent of a loan guarantee—guarantee a loan given through a financial institution, and you have X number of institutions participating. Now, what happens, do we leave it solely up to the financial institution as it relates to whether a business qualifies or not for a 7(a) to participate in a 7(a) Program?

Mr. WATKINS. No, sir, we don't.

Mr. FIELDS. Explain to me how we do that.

Mr. WATKINS. We are administering the 7(a) Program through preferred and certified lenders. A certified lender is a lender who has the authority to take an application, to process it, to use our criteria in determining the creditworthiness of the borrower, to determine whether or not the borrower has a real capacity to repay, that they have sufficient collateral, that there is sufficient management skills, that their business plan is reasonably, that their financial forecasts on what the business can do are reasonable, and once they take the application and they have verified that this is a creditworthy borrower, they will then submit the application to the SBA.

Mr. FIELDS. So that is my point, Mr. Watkins. You all never see individuals unless they're certified by the institution as being creditworthy, is that not correct?

Mr. WATKINS. We probably never see the individual unless they—

Mr. FIELDS. Or the application or paperwork—

Mr. WATKINS. Exactly. We see the paperwork once it's submitted to us by the bank.

Mr. FIELDS. It's only submitted to you by the bank if they deem this business creditworthy, is that correct?

Mr. WATKINS. That's correct.

Mr. FIELDS. So, SBA has absolutely nothing to do with it other than sending a list of rules or regulations as relates to how you should deem a person creditworthy or not. But other than that, you have no other—you play no other role in determining whether or not the financial institution is, in fact, grading individuals or businesses by a particular standard, and making sure that those individuals that they deny are denied with just cause? What safety in

that do we have, if any at all, as relates to checks and balances with financial institutions? If I ran a financial institution, it appears to me, based upon your testimony and others, that I can—you send me a list of guidelines, and I can choose to or not to follow the guidelines. Let's just say I tell you that I'm following the guidelines, but I can basically choose what application to send to you and what application not to send to you, is that not correct?

Mr. WATKINS. As I understand the program, that is correct.

Mr. FIELDS. Don't you think that there is some inequity or can be some inequity in this process?

Mr. WATKINS. In my humble opinion, Congressman, there is a lot of opportunity for inequity in that process. I spoke earlier about the environment. Again, the environment in this country has long been not conducive to minorities seeking financial services from financial institutions. That's not a new fact. Having said that, the SBA, in our certified program, we have to go out and we monitor or we review applications that have, in fact, been approved. The only safety net that exists is that if a borrower has gone to the bank and has been rejected, then they certainly can write the SBA and ask to have us review that application.

Let's say a borrower comes into a financial institution and the bank never tells them about the 7(a) guaranty program. We would never know that that borrower was in that bank and inquiring about the 7(a) Program. If the borrower does not attend a forum that the SBA may have in the local community where we talk about other programs that the SBA does, in fact, have, then the borrower would not be aware that the Federal Government has a 7(a) loan guarantee program.

Mr. FIELDS. What happens if a borrower walks into a bank and is totally cognizant of the 7(a) Program and, in fact, would like to apply for money under the 7(a) Program, and is denied, and may or may not know about the appeals process through the SBA. Would his name automatically go to the SBA as a rejection or will it stay with the financial institution if he chooses not to, for whatever reason, be he not know or be it he just chose not to appeal the process? In other words, to make it short, do you all receive the rejections when a person walks into the bank and is rejected by the financial institution, does that financial institution then inform the SBA, listen, there is a gentleman or a business in this bank today who wanted to apply for 7(a) money. We did not feel or find him creditworthy, his business, therefore, we're rejecting his application, and here's his name and his information.

Mr. WATKINS. It was my suspicion that we were not notified, and I just verified that from my colleague here, that we do not get information.

Mr. FIELDS. Then we need to do something, Mr. Chairman, to see that you are notified. Because my question was going to be how many of these applications that are rejected, how many of them are African-American businesses, and you have no way of telling me. I have no way of making intelligent decisions as it relates to the 7(a) Program, is it working or is it not. Do we need to change the rules or do we need to look at other ways to deem a person creditworthy or not, because I have absolutely no information, and no way of knowing how many of the businesses were denied in

terms of the breakdown between African-American businesses and otherwise.

My final, question, Mr. Chairman—I apologize for taking maybe a little bit more time than I need to be—would be geared to Mr. Lee. In Mr. Watkins' testimony, he mentioned that there was an SBA business information center that was opened in October 1992 here in Los Angeles. How many small businesses do we have in the Los Angeles area, approximately?

Mr. LEE. I don't know the exact number. I think it was about 200,000 or 20,000. I can't remember the figure.

Mr. FIELDS. That's a big difference, 20,000 or 200,000.

Mr. LEE. Yes, I know. I know there's a two in it. I think it's 200,000 small businesses, if I'm not mistaken, many of them one or two person businesses.

Mr. FIELDS. OK. Of the 200,000, let's use the number 200,000 small businesses for purposes of exchange, what percentage of the 200,000—let me not say minority, let me say African-American businesses from a percentage perspective?

Mr. LEE. I don't really know.

Mr. FIELDS. What is the function of the small business information center? I'm trying to seek some information.

Mr. LEE. OK, the small business information center we have is really geared up to assist startup businesses, people trying to get into business, and it happens to be conveniently located to a lot of the inner-city area, for us the South Central area. We've been using it to work with the various other economic development agencies, be they governmental or private or nonprofit, to stimulate more training for people who are interested in getting into business, and then to try to bring together the various resources in the community to assist those people.

For example, I think Congressman Tucker is familiar with Lynwood EDAC, the Entrepreneur Development Academy, they're providing entrepreneurial training to people in Lynwood that are interested in starting new businesses. We work with them and conduct workshops at the business information center to assist them in their business planning activity. We send the microloan lender out to them.

Mr. FIELDS. I do not want to be critical of the center, because I do not know anything about it other than what you've shared with me this morning and what I see in the testimony, but I do think there are a lot of window dressing programs that are not really facilitating the needs and the concerns of the small businesses, and I hope, I certainly hope that this is not one, and according to your testimony, it's probably not. I would like to ask one final question, Mr. Chairman, the then I'll move. In the testimony of Mr. Watkins, and I'm asking this question to you, Mr. Lee, 2,200 some odd customers visit the center.

Mr. LEE. Yes.

Mr. FIELDS. Since I guess 1992, I'm told 1992.

Mr. LEE. For about 6 months in operation.

Mr. FIELDS. For the 6 month period. Now, I'm not concerned about how many people visit, but I am concerned about how many people were helped. You very adequately state how many people visit. How many people were actually helped that visit the center?

Mr. LEE. OK, we try to be very carefull and not to inflate the numbers. These are people who are actually walking in and using the services.

Mr. FIELDS. That use the telephone because they need to get a cab?

Mr. LEE. No, because what we have is use of computers, we have data bases, we have the Census Bureau data, Census track data. So, these are people, I'd say about 90 percent of them are all interested in starting a business, and a predominant number of them are people of color. They walk in and they get various kinds of help. They either get information about SBA loans, they research information, or they use our computers to do some of their business planning work.

Mr. FIELDS. Of the 2,000 some odd individuals, how many of them are business owners or people who seek to be business owners?

Mr. LEE. Like I say, I think about—well, very few of them are business owners. Most of them are attempting to start their own business.

Mr. FIELDS. So, the bottom line is since they're not business owners, my question is of the 2,000 some odd folk, how many of those individuals do you think are now in the business or in the process of opening up their business as a result of that center?

Mr. LEE. I can't give you an exact number, but I know a high percentage of them seemed very enthusiastic, and they seemed about halfway in the process of opening a business because they're coming in and they're doing financial forecasts and talking about applying for bank loans through the microloan program. We're having all the people who are taking training classes for various microloan programs coming through. We have training classes for people that the Urban League are starting entrepreneurial, training programs and they're moving through. So, I would guess that at least a quarter to a third have probably or will in the near future have opened some kind of business.

Mr. FIELDS. It would be nice, finally, to get a status report. I'll be talking with Senator Tucker—Congressman Tucker in the future.

Mr. TUCKER. Thank you.

Mr. FIELDS. He looks like a Senator and acts like a Senator.

Mr. WATKINS. I would just like to add just a few additional bits of information to Mr. Lee's discussion about the business information center. The business information center is primarily a high tech operation. It uses computers, most of which have been donated to the SBA by major corporations of America. The software that's on those computers will enable the person interested in going into business to go through the entire menu of items on there to determine, do you really want to go into business and do you know why. Then we run them through the standard business plan development and tell them how they need to prepare one, how they need to prepare their financial statements, how they need to prepare their financial projections, and then their marketing program, their accounting system, and their management. We also will provide menus that tell them about the various loan programs that we have to help them get access to capital.

To get to your issue about how many of those 2,000 or so that have been through the business information center here in Los An-

geles who were interested in going into business, how many of them have, we don't know at this point and we certainly agree that it's a good idea that we need to have those statistics, but I would hate to say that there has been a lot of success at this point because, again, we go back to the issue of access to capital and availability of credit. If you can't get it, and it's very difficult for startup businesses to get it in the first place, then we probably don't have too many success stories unless the person is using their own financial resources to get started.

Mr. FIELDS. Thank you, Mr. Watkins, and in the future, as you know, the Chairman, as well as myself, we both serve on the Banking Committee, but in the future, I would like to work with you, along with the Chairman, to talk about how we can get SBA to get that information from the financial institutions for those businesses that were denied loans, because as you know or as I know, let me not speak for you, redlining is illegal, but it still exists, and I think this is a loophole in the law where redlining can actually be instituted.

Thank you, Mr. Chairman.

Chairman MFUME. Thank you very much, Mr. Fields. The Chair recognizes the gentleman from Alabama, Mr. Hilliard.

Mr. HILLIARD. Thank you very much, Mr. Chairman. Mr. Lee, I'm having some problems down South. I know you don't have those type problems out here. There is a philosophy that believes that SBA has outlived its usefulness. As a policy decision, and I know you don't get into policy, you're supposed to get into operations, but I notice Mr. Watkins' statement a few minutes ago that the agency can't be all things to all people. I'm just wondering do we need to redefine SBA mission, and in light of that, let me ask you the question, does SBA at this point make any direct loans?

Mr. LEE. We do a small number of direct loans, and the appropriation for that is maybe \$20 million nationally, so it tends to be a very small amount.

Mr. HILLIARD. Very small, and at one time, the SBA made a large percentage of direct loans. People still think of SBA as being an agency that makes direct loans now.

Mr. LEE. Yes.

Mr. HILLIARD. They are very frustrated because they can't get help from SBA. So at this point, I think we need to really redefine what we want SBA to do and what we want it to be in the future. Now, if you're going to be a guarantor or if you're going to be one of those just to distribute information pamphlets and so forth, and I think people need to know your function. They need to know your duties. I think that your agency has not done a good job in doing that.

I think part of the reason why, because you have a multiplicity of programs, and some of the those programs, they do see you as being a direct lender. I think somewhere along the line, someone, either Congress or someone else, has got to make a decision whether or not you're going to be either or. I don't think you can be both and be effective. Now, I'd rather hear from you. I'm a lawyer. I have nothing against lawyers, but I understand their function.

Mr. LEE. I'll just answer from a district perspective. I agree with a lot of what you just said, and in terms of my perspective, we have

programs to administer, and the way I view them is that they meet specific needs. We have programs that meet specific needs of small business, and small business, as we talked about, is really a broad spectrum of things. So, the 7(a) Program, for example, I think is an excellent program that meets the long term capital needs of established businesses. When we talk about our needs here in the inner-city in Los Angeles, then we're talking about startup capital, we're talking about maybe some medium term capital for businesses that don't necessarily have the net worth or the collateral that would necessarily qualify for a 7(a) Program. So, you're right, I mean, we need to develop, at least from a district perspective, programs that would apply to those needs.

In terms of the various programs we have, I agree we have a lot of different programs, but if we don't go out and educate the public as to what those programs are and how they can effectively use them, then it's useless. So, we at the district level are making quite a bit of an effort in terms of our outreach, just to get out into the public, and do things that are different from our traditional methods of delivering service because they clearly have not reached a great portion of the small business community in Los Angeles. So, we're not sitting back and waiting and saying OK, come to our office and come to our program. We're trying to get out there and educate the people and to become part of their infrastructure. The way for us to do it effectively is to try to work with the various community groups and to become partners with them.

Mr. HILLIARD. I think the administration ought to get to the point, and they've got to realize that we're going to have to divide your functions, that you don't participate in any direct lending program or that's all you need to do, but either or. You're not doing a good job at either one, and that's part of the frustration of business people. That's part of the frustrations and the problems of every city, and I've been there, and I know.

If I may, Mr. Chairman, and I know we have two other speakers, but let me go one step further. How long have you been in your position?

Mr. LEE. I've been in my position about 11 months now.

Mr. HILLIARD. OK, but you formerly worked with the SBA?

Mr. LEE. No, I'm from private industry.

Mr. HILLIARD. OK. Did either one of you work with SBA before January 1, and how long have you been there?

Mr. KULIK. Twenty-nine years.

Mr. HILLIARD. Let me ask, over those 29 years, you have seen the metamorphosis, and I'm sure you're familiar with some of those direct loan programs,—

Mr. KULIK. Yes, sir.

Mr. HILLIARD.[continuing.] disasters we had, the problems we had. Have you served in any capacity greater than the one you serve in now?

Mr. KULIK. Yes, sir, I have.

Mr. HILLIARD. What was that?

Mr. KULIK. At one time, I was the Associate Administrator for Procurement Assistance. Before that, I was the Deputy Associate Administrator for Operations in the agency.

Mr. HILLIARD. OK, in the national agency, not the Los Angeles region?

Mr. KULIK. I was the Acting District Director in Los Angeles for 4 months, sir.

Mr. HILLIARD. All right, and I imagine that over this time, you've had a great deal of input in the policies and the directions of the SBA?

Mr. KULIK. We try.

Mr. HILLIARD. Does that mean that you did or you didn't?

Mr. KULIK. We have input, sir, but the ultimate direction of the agency is set by the administration and the Congress.

Mr. HILLIARD. Well, I realize that, but does that mean that you had some input?

Mr. KULIK. Yes, sir.

Mr. HILLIARD. All right. You heard my question to Mr. Lee a minute ago and the statement that was made?

Mr. KULIK. Yes, sir.

Mr. HILLIARD. Do you see now SBA as being one of those that should administer any type of direct loan program?

Mr. KULIK. Mr. Hilliard, prior to approximately 1970, the agency and its business loan program was basically a direct lender. At that time, for various budgetary reasons, Congress cut back——

Mr. HILLIARD. Political reasons.

Mr. KULIK. Political or budgetary, Congress cut back on our direct lending programs and required us by law to go to the guarantee programs. We're at the point now where our direct lending programs are very minor, with the single exception of the disaster program.

Mr. HILLIARD. Part of the frustration of minorities have been that since you cut your participation in direct loans, they have had a great deal of difficulties getting loans, and they partially blame you, which may or may not be correct. But at any rate, it does create problems and conflicts for the inner city and for minorities who are trying to advance in the business arena.

Mr. KULIK. The frustration, sir, is they have no place to turn——

Mr. HILLIARD. No place.

Mr. KULIK. [continuing.] once they have been declined by the bank. The SBA direct funds are very, very small when spread out over the year and over the country.

Mr. HILLIARD. And if you go back to the position and to the questions that were directed to you by the gentleman from Louisiana, then you can really understand their frustrations. I mean, if the application is denied, many of them don't even know what source of appeal or what type of appeal they have, and they are denied by primary lenders, so they don't get any help from you because unless they come to you and know to come to you or have been directed to come to you, which I'm sure are very few. Do you have any idea of the number of persons who are denied by these financial institutions who actually appear?

Mr. KULIK. No, sir, I do not.

Mr. HILLIARD. And that's just part of the problem of frustration of inner cities. We have some tremendous problems, and if you're going to be the agency that's going to help us solve those problems, then you've got to aggressively inform people who you're unable to

perform certain tasks that they think you ought to be doing, whether it's the public or the Congress or the administration. You haven't done that.

That's all, Mr. Chairman. Thank you.

Chairman MFUME. Thank you very much, Mr. Hilliard. Let me, Mr. Watkins, say that regretfully, I'm going to have to dismiss this panel momentarily because of the amount of time we've consumed with our questions. Obviously, all of those questions and concerns have come out of a deep-seated interest that we all have in the agency, and a great deal of concern also about where the agency is headed. If your testimony has told us collectively anything this morning, it is that at least during the last administration, very little was done to correct ongoing and existing problems in the SBA. While the previous administrator was someone who I knew and first came to Congress with in 1986, I would dare say that she probably inherited many of the problems that are still with this agency today. It is extremely important that you communicate back to the administrator, as we will do in writing through this committee in a much more formal sense, what our concerns are.

When I first took you back to page 15 of your testimony, expressed my absolute disbelief that in this disaster program, a person simply had to send in an application, have the application approved and never see anybody from the SBA in order to get money, I still find that absolutely astonishing, and I hope that it is rectified. We cannot, in any real and meaningful way, go before the American public and suggest that we have a system of checks and balances where we're not doing administrative processes of agencies such as yours. That sort of thing simply has to be corrected.

The remarks of Mr. Hilliard are cogent. They go to the heart of the question that a lot of people have about whether or not there needs to be a redefinition, if you will, of the role of the SBA and whether a redefinition will, in fact, set it on a course where it maximizes its effectiveness and where it minimizes its opponents.

I have to go back to the remarks of Mr. Fields, as he indicated, both he and I serve on the Banking Committee. We are very much concerned about redlining in this Nation, how it affects African-Americans and Latinos and Asians, and how we go about doing away with it. So, his concern really becomes my concern and the fact that in this program, particularly here in the 7(a) Program, it seems to be an environment or an incubator, if you will, where that sort of thing can occur.

So, there are a number of concerns. We certainly appreciate your time and your energy before us. We don't, as a committee, blame you in any sort of way. It goes back to my original statement that there is a great deal of question, if not blame, certainly to be aimed at this previous administration or perhaps both previous administrations, and clearly what this hearing does is establishes on the record existing problems, a desire as I hear it on both your part and that of Mr. Bowles, to correct those things, and it allows us for the first time a very meaningful way to understand where those corrections have to be administered.

So, we thank you for your time here and for the appearance also of Mr. Lee and Mr. Kulik. I'd like to dismiss this panel at this particular moment, and in the interest of time, move ahead to our

second and last panel this morning. The Chair calls Mr. Mike Mantle of Bank of America, Mr. John Bryant of Operation Hope, and Mr. Carlton Jenkins of Founders National Bank.

The Chair also wishes, on a point of personal privilege, to acknowledge the presence here of the spouses of some members of this committee and of other members who are not on this committee and who are not present at the moment. We thank you for attending as well.

Is Mr. Jenkins here or not here from Founders National Bank? I am told that he is not here. Mr. Mantle and Mr. Bryant, I thank you for your patience. Mr. Mantle, we understand the time constraints that you are under and as such, we will defer to you first. It's good to have you here. It's good to have you here, Mr. Bryant. Thank you for your previous appearances in Washington, DC before this committee. Mr. Mantle, won't you proceed as you wish.

TESTIMONY OF MIKE MANTLE, PRESIDENT, BANK OF AMERICA, COMMUNITY DEVELOPMENT BANK AND CHAIRMAN, AMERICAN BANKERS ASSOCIATION'S COMMUNITY DEVELOPMENT LENDING COMMITTEE

Mr. MANTLE. Thank you, and thank you for the opportunity to speak in front of the panel this morning. I have submitted a copy of my testimony for the record. I'd just briefly like to highlight some of the issues that we have raised.

I'm Mike Mantle. I'm president of Bank America Community Development Bank. We're a State chartered bank and subsidiary of BankAmerica Corp. We opened in April of 1990, and we're primarily focused on providing community development loans in the State of California. I also currently serve as chairman of the American Bankers Association's Community Development Lending Committee; serve on the board of directors of the Local Initiative Support Corporation's affiliate, the National Equity Fund; serve on the board of directors of the Development Training Institute in Baltimore, Maryland; and as a member of the State of California Small Business Development Board.

I would like to focus my comments today on recommended changes to the existing SBA 7(a) loan program and process. I believe these changes would enhance the availability of credit to economically distressed communities, both rural and urban. As background for my comments, it must be pointed out that the SBA 7(a) Program historically is the largest public sector funding of any small business assistance program in the country. Although the 7(a) Program has been without funding to grant new loans since late April of this year, my comments are made under the assumption that the Federal commitment to small business lending programs will continue in the future.

My comments center around a recommendation that the SBA 7(a) and 504 loan programs be linked much more closely with the Community Reinvestment Act of 1977. Regulated financial institutions have become increasingly aware of CRA over the past few years, with public disclosure of CRA ratings and regulatory approval of bank mergers, openings, et cetera now being impacted by CRA performance. Bank of America Community Development Bank and

numerous other lenders use SBA Programs as a part of their overall product mix to meet small business credit needs, but frankly, lenders have experienced difficulty in using the SBA Program to meet the needs of economically distressed communities.

We have discovered that the basic requirements of regulated financial institutions under the Community Reinvestment Act are not, in fact, requirements of the SBA. For example, financial institutions are required to conduct needs assessment surveys of their serving areas and develop products which meet the needs identified. The district offices of the SBA, of which there are six in California, do not conduct a similar survey. Under CRA, financial institutions are required to track loans by geographic distribution and ethnic distribution and take actions to insure a fair distribution of their products. The SBA, on the other hand, is not required to take similar action.

It is also interesting to note that many of the largest SBA lenders in California are nonregulated lenders not covered by the Community Reinvestment Act. For example, in 1992, two of the five largest SBA lenders in the Los Angeles district office of the SBA were nonregulated lenders not covered by CRA. These two lenders utilized 20 percent of the SBA guarantees issued in Los Angeles last year.

It is also interesting to note that these two nonregulated lenders had an average loan size of \$430,000, which is 15 percent above the average size loan made in the district of \$377,000, and well above the \$100,000 threshold which community based groups tell us are critically needed.

There is no requirement of these unregulated lenders that they address the needs of the economically distressed areas, minority businesses, or borrowers with smaller loan needs.

As the information contained in the SBA's 1992 loan profiles reports, only 2 percent of the SBA loans made in 1992 were to African-American owned businesses, 3 percent to Hispanic-owned businesses, and 10 percent to women-owned businesses. Additionally, as the report demonstrates, only 35 percent of the SBA loans made in 1992 were for \$100,000 or less, and only 15 percent for \$50,000 or less. These are critically defined loan thresholds that we identify in our meetings with community groups across California.

The following specific recommendations are made. One, each district office of the SBA should conduct an annual needs assessment survey, identifying the key small business loan needs in their districts, and require participating lenders to present plans on how they will address and meet these needs. Lender performance should be monitored.

Two, the SBA currently places lenders into three classifications. Preferred lenders are granted what is the equivalent of delegated underwriting authority from the SBA. Lenders who enjoy this status are able to originate SBA loans without first submitting the entire loan to the SBA for review and approval, which greatly enhances the timing and funding of credit and reduces lender expenses.

Certified lenders are granted expedited loan approval from the SBA on an individual loan submitted for approval. This expedited

approval which is stated to be 3 business days, in reality averages close to 2 weeks, and that is still acceptable to the banks.

General lenders are required to submit individual loans to the SBA for approval with no committed turnaround times. Lenders with this status generally experience difficulties in providing timely turnarounds on loans to their clients. It should be noted that lenders earn their status based on subjective opinions of each of the SBA district offices. The criteria utilized to determine lender status do focus on the number of loans the lender originates and their ability to adequately service their loans.

Criteria for certified or preferred lender status do not include loans for minority- or women-owned business enterprise or small loans. In fact, the largest nonregulated SBA lenders in California in 1992 enjoyed preferred status while banks such as Founders, an African-American owned institution serving South Central Los Angeles and other parts of L.A. Wells Fargo, First Interstate, had general processing authority.

It is recommended that any financial institution regulated by the OCC, Federal Reserve, FDIC, or OTS, which has received a satisfactory safety and soundness rating and a satisfactory or better CRA rating, be granted the equivalent of preferred lender status, in other words, delegated underwriting authority to make a loan. This removes a duplication of Federal Government monitoring of lenders, and will increase the availability of small business loans. It will also reduce expenses at the SBA, savings which can be used to increase guaranty authority. Lenders who do not follow program regulations or do not properly service or collect their loans should not have their SBA guarantees honored.

Another variation of this recommendation would be to grant lenders preferred status on smaller transactions, with SBA reserving the option to review larger transactions prior to committing Federal resources. For example, in Los Angeles today, we, as well as Founders and some other lenders, must submit \$10,000 loans to the SBA for prior approval, while at the same time, \$1 million loans are being made by nonregulated lenders. Establishing a threshold at the \$250,000 level for delegated approval authority would meet the needs of our markets.

The next recommendation, assign each lender one SBA office responsible for all aspects of the lender—SBA relationship, including loan approvals, guarantee payments, and monitoring reports. Currently, many lenders must deal with multiple offices of the SBA, supplying the same information to each one. Additionally, this will serve to give lenders a uniform answer to common issues which are handled differently in each of the district offices.

Next recommendation, in exchange for the above recommendations which would reduce lender expenses and allow more lenders to effectively participate in the SBA Program, explore the concept utilized by the FHA Title 1 Home Improvement Loan Program, under which lenders are granted delegated underwriting authority and the ability to purchase a loan guarantee. In exchange, the lender pays an annual insurance premium of one half percent on its insured portfolio. Defaulted loans are presented for payment under insurance provided and paid provided the program's regulations have been followed.

Next, the SBA should create a new equity fund for small business. We find that many businesses, as you heard today, need capital, need equity, as much as they need credit. By recapturing a part of the profit made today by some SBA lenders that sell their loans in the secondary market at premiums of up to 17 percent, the SBA can create a fund to be utilized for small business expansion through equity participation.

The SBA should mandate that loans eligible for the SBA 504 loan program be required to be funded under that program instead of utilizing the 7(a) loan program which is more designed to meet the needs and desires of the lender than the needs of the borrower or the SBA. The 504 Program provides a borrower with an option to obtain long term fixed rate financing at below market interest rates on up to 40 percent of the acquisition price of commercial real estate or fixed assets. The stability of fixed rate financing allows for better planning, budgeting and forecasting of cash-flow needs by small business owners and removes the risk of increasing interest rates, causing job downsizings in the future.

Additionally, the 504 Program gives the SBA a better leveraging of its scarce resources. For example, a commercial property being acquired for \$1 million with 90-percent financing supported by the SBA uses \$400,000 of Federal resources under the 504 Program and \$500,000 of private sector resources. This same loan on a 7(a) loan requires \$750,000 of Federal resources, leveraging only \$150,000 in private sector funding. This concept would greatly expand the total dollars which the SBA can cause to be lent.

Finally, the SBA should continue to expand the use of the micro-loan program you heard about earlier, which lends funds to local intermediaries and which they, in turn, lend out in amounts up to \$25,000 in their communities. The previous recommendations will generate considerable debate and criticism among existing SBA lenders, who would prefer to continue business as usual. However, we believe that the current economic environment calls for all of us to be more creative, more enterprising, and more strategic about community development.

Arguments will be made that the program needs no revision, as it is over subscribed annually. These recommendations do, however, present opportunities to stimulate a greater availability of credit in economically distressed areas, while at the same time generating additional funds for expanding small business assistance programs.

I thank you for your time this morning.

[Mr. Mantle's statement may be found in the appendix.]

Chairman MFUME. Mr. Mantle, thank you very much, and as I indicated before, I understand that you're pressed in your schedule, and so we will try as best we can to accommodate you. Mr. Bryant, the Chair is going to ask if you would allow at least Mr. Mantle to receive questions from the committee before we go on with your testimony.

Mr. BRYANT. Fine.

Chairman MFUME. Good. Mr. Mantle, again, let me thank you. I want to go and ask you a couple of things. Maybe you can help us as we try to put in place a record here. Through your own experience, can you take a minute to tell the committee what you believe

is the greatest obstacle which prevents small and minority businesses from having access to capital and credit on a conventional basis from mainstream institutions as we know them, mainstream financial institutions?

Mr. MANTLE. Historically, ignoring the economic climate of California for the past 3 to 4 years, historically, credit is extended in tandem with capital. A business will come into a bank, and you'll hear that the bank will allow them to leverage their capital three or four or five times with the amount of loans that they have invested in the business. Many small businesses, particularly minority owned small businesses, have had a very difficult time attracting adequate capital to get them over the first 1 to 5 years in the life cycle of the business. That lack of capital, the lack of ability to access venture capital funds and the like, has restricted the flow of credit.

Chairman MFUME. Let me ask you also about your recommendations that you made in your formal testimony about how to improve the 7(a) Program. I think they're rather comprehensive to say the least, and can you tell the committee for the record, has your institution in particular either formally or informally conversed with the SBA on how to improve the program?

Mr. MANTLE. We have ongoing, very positive ongoing dialog with the regional office of the SBA in San Francisco, as well as the six district offices in California. The comments contained here today, many of them have been conveyed in the copy I submitted for the record in bank publications, including Community and the Bank, where we have editorialized our positions. We have done Op Ed pieces in major newspapers, including the New York Times, across the country with many of these strategic thoughts over the last 6 months. We have worked with Vice President Gore's national performance review task force, recommending certain changes to enhance not only the flow of credit but more dollars to the SBA Program without impacting the Federal budget.

So, these ideas have been in existence. We developed them over the course of the last year in a tandem effort with representatives in community groups, that group includes Ms. Carla Dartis from the Drew Economic Development Corp. located here in Compton, and others across the State.

Chairman MFUME. Now, were your conversations with the SBA solicited or offered?

Mr. MANTLE. Generally offered.

Chairman MFUME. Rarely solicited? Would that be a fair statement?

Mr. MANTLE. The SBA has solicited many comments on efficiency, improving efficiency. The SBA has—

Chairman MFUME. With regard to the 7(a) Program?

Mr. MANTLE. Yes. The concept of electronic data submission and more expedited processing of information between lenders and the SBA has been solicited by the SBA.

Chairman MFUME. OK. On page 6 of your testimony, point nine, you mentioned briefly expanding the microloan program. I'd appreciate you taking just a moment to expound on that as to how you see it expanding and in what direction.

Mr. MANTLE. Well one, I think the program has demonstrated success. I think you heard that with the previous panel. The funding level for that program, in my opinion, should be expanded dramatically. The funding for that program could be attained through a lender insurance premium, through a recapture of some of the secondary market loan sales. The intermediaries participating in the program are not regulated by bank examiners. They are able to make transactions not subject to safety and soundness reviews, not subject to any of the banking regulations, the FIRREA requirements, the appraisal requirements, and the like that take place today in the banking environment, and they can hold the cost down, extend the credit quickly. So, the demonstrated success of the program, I think, speaks for itself, and it should be continued.

Chairman MFUME. Well, thank you for your testimony, and specifically with the honest way in your former testimony that you try to approach these problems that we're all facing. The Chairman will yield and recognize Mr. Fields of Louisiana.

Mr. FIELDS. Thank you, Mr. Chairman. I'll be brief. Mr. Mantle, I'm very impressed with your presentation, and I can really appreciate some of the ideas you enumerated in terms of how we deal with the 7(a) Program through the SBA. I have one quick question. In your comments, you mentioned that in 1992, 39 percent of small business loans were to minorities and women-owned businesses. Of the 39 percent, can you give me a breakdown of women, minority and when you deal with minority, with Hispanics, Blacks and on down the line. Do you have a breakdown?

Mr. MANTLE. You're referring to my written testimony regarding Bank of America Community Development Bank's loan numbers.

Mr. FIELDS. Yes.

Mr. MANTLE. Last year, 39 percent of our loans were minority or women-owned business, and the breakout was 22 percent minority-owned, 17 percent women-owned business.

Mr. FIELDS. When you say 22 percent minority-owned, you're still using a total word that I'm not ready to deal with as of yet, because minority is a category.

Mr. MANTLE. Right.

Mr. FIELDS. You could say women, minorities, you can say women, Hispanics, Blacks. Can you give me a total breakdown in terms of Hispanics, Asians, and Blacks, when you use it, or are you using the term minority as a black term, period?

Mr. MANTLE. No, the term minority includes Hispanic, African-American, Asian, and of the women—I do not have the breakout in front of me. I can send that to you on the breakout of our individual loans. I'd be happy to do that.

Mr. FIELDS. OK.

Chairman MFUME. Are you saying women also are a part of your definition of minority?

Mr. MANTLE. No.

Chairman MFUME. All right.

Mr. MANTLE. Thirty-nine percent of our loans were to women- or minority-owned, 22 percent minority-owned, 17 percent women-owned.

Chairman MFUME. Thank you.

Mr. FIELDS. Twenty-two percent who?

Mr. MANTLE. Twenty-two percent Were minority-owned business.

Mr. FIELDS. Thirty-nine percent women?

Mr. MANTLE. Thirty-nine percent Was the total of minority and women.

Mr. FIELDS. Total, 17 percent women. OK. Let me ask another question, one final question. What about the—since you participate in a 7(a) Program, how many applicants have you approved through your 7(a) Program approximately, in terms of numbers?

Mr. MANTLE. In what time frame?

Mr. FIELDS. 1993.

Mr. MANTLE. 1993 7(a) Approvals would be approximately 125.

Mr. FIELDS. 125. I guess we can deal with these numbers in terms of minorities and the breakdown you've given us in your testimony, is that correct?

Mr. MANTLE. Correct.

Mr. FIELDS. OK. The next question I'd like to ask is how many have you denied?

Mr. MANTLE. I would have to get that information for you specifically, but I would estimate it would be between 200 and 300.

Mr. FIELDS. And you granted how many?

Mr. MANTLE. Well, approved subject to the SBA refunding, approximately 125.

Mr. FIELDS. You denied approximately an equal number or more?

Mr. MANTLE. We have probably denied or in including in denied would be restructure, a borrower that would apply for a \$200,000 loan that would be repackaged as a \$100,000 loan, with performance incentives to achieve the next \$100,000.

Mr. FIELDS. Of your denials, since you so accurately give the numbers of the approvals, of the denials, can you give me the breakdown in terms of African-Americans, Hispanics, and otherwise?

Mr. MANTLE. No, I cannot. I can submit that to you in writing.

Mr. FIELDS. Certainly I wish not to scorn you with these comments, but let me just say as just the basics of how I feel, I really get sick when I hear individuals come before the panel and they give us figures that they want us to hear, and not bring the figures that we want to hear, all of the figures. We certainly want to hear the numbers that you give us, be we also want to hear the bad side, or the dark side, as well. I mean, everybody comes before the committee and tell us how great their operation is working, but never give us the other side of the picture. It puts me, as one member of this committee and one Member of Congress, in a very antagonistic position because it's just not fair. For you to sit here today and say I can tell you how many we have granted, but I can't tell you how many we've denied.

Mr. MANTLE. I would like to offer the comment that we are prohibited by law from collecting information that you're requesting on loan applications today outside of single family mortgage or Government insured loans. When we apply for the guarantees, we are able to collect the information. We are prohibited today from collecting the information you're asking me for.

Mr. FIELDS. So you can tell me how many people you've granted an award to, but you can't tell me who you haven't?

Mr. MANTLE. That's correct.

Mr. FIELDS. There is a law that provides that you cannot tender that information?

Mr. MANTLE. That is correct.

Mr. FIELDS. Unless you grant the application?

Mr. MANTLE. Unless we use a Government loan program or if it's a single family home mortgage.

Mr. FIELDS. Is 7(a) a Government loan program?

Mr. MANTLE. Yes.

Mr. FIELDS. Are we speaking about the 7(a) Program?

Mr. MANTLE. Well, when we take an application into our bank, we're taking an application in for a small business loan. We then, in turn, go and find how we can make the loan. One of many options may be an SBA 7(a) loan.

Mr. FIELDS. So when you enter into the discussion of 7(a), do you not leave away from that regulation?

Mr. MANTLE. When we grant an SBA 7(a) loan, you are correct, we get away from the regulation.

Mr. FIELDS. Well, we're playing with words now. We're getting tied up in an analysis, and I don't want to do that, but when you start entering into the discussion of 7(a), you are under totally different rules, are you not?

Mr. MANTLE. We are under different rules, that is correct.

Mr. FIELDS. And you can get that information——

Mr. MANTLE. We can get it, but you have to——

Mr. FIELDS. Now, I've been asking questions about which one.

Mr. MANTLE. What I'm trying to state is when a borrower comes to us for financing, we accept a general application. Before we determine whether the borrower would be an SBA 7(a) loan, a State of California loan, a Farmer's Home loan, if the borrower has bad credit, has no equity, has deteriorating financial trends, whatever would preclude them from accepting, we do not proceed to the 7(a) discussion or the Bureau of Indian Affairs discussion or the Farmer's Home discussion. We proceed with alternative financing that could be available outside of the financial institution. So, we don't get to the point where we make—we do not give them more forms to fill out in making an SBA loan.

Mr. FIELDS. I understand. In the essence of time, I'm going to delay any further comments, but if I were to ask you today how many individuals walk into your bank under the 7(a) precisely, ask for the 7(a) Program, you still would not be able to give me the number of people who you have denied, is that not correct?

Mr. MANTLE. I would have more representative information. I can get that for you.

Mr. FIELDS. But you could not give it to me now, is that correct?

Mr. MANTLE. Not at this moment, no.

Mr. FIELDS. Thank you, Mr. Chairman. I have no further questions.

Chairman MFUME. Thank you very much, Mr. Field. Mr. Mantle, are you under the—or do you have an awareness of the fact that under CRA reporting requirements passed by Congress, that financial institutions are supposed to keep statistics on all minority loans declined?

Mr. MANTLE. Yes.

Chairman MFUME. It seems that would be in conflict with your earlier statement.

Mr. MANTLE. We are also limited to the amount of information. There is a very large difference between the single family consumer lending products and commercial loans for small business, and that's where the differences come in.

Chairman MFUME. I understand—

Mr. MANTLE. We are required to follow the distribution of the loan's ethnic, geographic, and the turndown, but there are still conflicts within the law as to the amount of information we can gather on certain types of small business transactions.

Chairman MFUME. There is, indeed, but there are no limitations with respect to ethnicity, and I would again call your attention to the Community Reinvestment Act and the reporting requirements passed and approved by this Congress that require statistics be kept on all minority loans that are declined, not overwhelming statistics, but certainly race or ethnicity. Mr. Hilliard of Alabama?

Mr. HILLIARD. Mr. Mantle, some of your suggestions I take at heart, and I understand the great deal of paperwork that bankers have to undergo, but let me make sure I understood you on your example about the \$10,000 loan and the \$1 million loan and the approval involved. Would you repeat that for me, please?

Mr. MANTLE. As a certified lender and doing business in the Los Angeles district office, we source out a small business that needs a \$10,000 equipment loan, package the loan, approve the loan, underwrite it, and then we submit the entire package to the local office of the SBA, where an SBA loan officer then reviews the loan, and makes an independent credit decision prior to granting SBA guarantee authority on that transaction. That process can take 3 days to 2 weeks.

The million dollar loan, a preferred lender with the delegated underwriting authority, does not submit the package to an SBA loan officer for review. They make the million dollar loan without that requirement that it have a separate set of eyes. They're required to notify the SBA of the credit decision and notify it and obtain certain guarantees, but it does not go through the same approval process that the certified lender would go through.

Mr. HILLIARD. Are both those guaranteed loans?

Mr. MANTLE. Those are identically the same loan in the 7(a) Program.

Mr. HILLIARD. Just whether you are certified or preferred?

Mr. MANTLE. Correct.

Mr. HILLIARD. OK. Is that a big problem?

Mr. MANTLE. Well, it's a very time consuming and expensive process for lenders to go through.

Mr. HILLIARD. Does it create an additional cost?

Mr. MANTLE. It creates additional costs for us, certainly. It creates additional costs for the SBA, and additional costs for the borrower.

Mr. HILLIARD. Are you prohibited from becoming a preferred?

Mr. MANTLE. We are not prohibited. We have requested, and we continually negotiate for that status in the various district offices in California. We have that authority in San Diego. We do not

have it here in Los Angeles at this time. It is continually requested, I might add.

Mr. HILLIARD. Tell me about your report from the standpoint that you're requested that this Government make available to SBA moneys for their particular problem. Why not—I mean, you invite intrusion by the Government into your industry. Is that because of the fact that your industry does not serve this market, or is it because you think that Government can best serve that market?

Mr. MANTLE. I would offer the example that we're trying to—small business today, we're finding one of the principal reasons for credit declines is a lack of equity. More businesses need equity today than need small business loans if they're going to create jobs. We have invested our bank over \$100 million in equity and low income apartment buildings, and a majority of that investment is in the Southern California area through a program called the Federal Low Income Housing Tax Credit. It's a program where the credit is allocated out to each of the States. In turn, investors come in and invest in low income housing. We are trying to come up with a model that will generate similar funds for equity investments into small business enterprise, and we're trying to come up, in our discussions, with pools of money that may not be available today that may be accessed by the Government to put back into small business equity. I'm not certain that my recommendation states the Government would necessarily be the investment vehicle. The money may be delegated out to the States. It may be delegated out to community groups, I don't know. That's another discussion for another time, but we're trying to come up with some money for this critical need.

Mr. HILLIARD. Well, I asked the question because it was part of your report.

Mr. MANTLE. Part of the report recommends recapturing a portion of a gain on sale that is currently taking place in the markets. How that recaptured money would get out to small business is something I'm very interested in discussing with others as well.

Mr. HILLIARD. Chairman LaFalce, Chairman of the Small Business Committee, I'm sure you're familiar with him, has come up with a proposal that's very similar to the way Ginnie Mae's are treated and the way funds are raised for that category of housing and so forth for commercial business.

Mr. MANTLE. Correct.

Mr. HILLIARD. Have you had a chance to look at that?

Mr. MANTLE. Is that the Velda Sue proposal?

Mr. HILLIARD. Yes.

Mr. MANTLE. Yes, I reviewed that.

Mr. HILLIARD. Tell me your thinking about it, relatively to your equity fund proposal.

Mr. MANTLE. As it relates to loans in economically distressed areas and loans to borrowers that have a difficulty accessing credit today, I have concerns. I have concerns that if you look to the Fannie Mae and the Freddie Mac secondary marketing models for single family mortgages, they have been fairly rigid and fairly tightly defined in terms of what is eligible and what is ineligible. This type of lending requires a tremendous amount of flexibility and creativity to extend credit into the markets we're trying to

reach, to come in with a standardized product that says if you meet the following criteria, we can put you in a shoebox and sell the loan. I think it's going to add to the detriment and exclude many businesses that fall just outside of the shoebox approach.

Our experience is that types of credits we're talking about have some sort of a strategic weakness that we are attempting to overcome with the guarantee authority.

Mr. HILLIARD. But by the same token, would that also create the pool of money you're talking about?

Mr. MANTLE. What it would do is replenish lenders' financial statements by allowing the lender to originate small business loans and in turn sell them on the secondary market. Nothing I've read in Velda Sue generates equity for small businesses.

Mr. HILLIARD. Of course, that probably won't solve our problems.

Mr. MANTLE. That's my fear.

Mr. HILLIARD. OK, thank you very much.

Chairman MFUME. Thank you, Mr. Hilliard. Mr. Mantle, I'm going to ask you to stay with us a bit longer because of the request of Congressman Tucker, and we wanted to save him for last in this round, and I would defer right now to the gentleman from California, Mr. Tucker.

Mr. TUCKER. Thank you very much, Mr. Chairman. Mr. Mantle, just a couple of quick questions because in the interest of time, we're going to have to try to accommodate Mr. Bryant. Hopefully, we might even have an opportunity for some questions from the audience if we get the time. Very quickly, you mentioned—first of all, let me say that I appreciate your specific recommendations and your documentation, and I'm sure that the Chairman and this committee will follow up on many of those recommendations. They speak to many of the things that we've been talking about relative to kind of an inherent despair of the infrastructure of lenders, their enfranchisement of the SBA process as well as the microloan process and others.

Quickly, you mentioned that you have preferred status in San Diego, but you do not have it apparently in Los Angeles County. To the best of your understanding, and understanding of course that you're not an SBA official, what is the process there? Is it purely subjective and political, what is the criteria? I don't know this may be a question better framed and formed to of course, our SBA compatriots here, but at least while you're on the stand, from your standpoint, what is the criteria there?

Mr. MANTLE. The criteria as I understand it is the ability to service loans under the SBA's guidelines and a proven and demonstrated ability to do that, as well as liquidate loans over a period of time, a demonstrated performance in the program, a separate determination from the opinion that would be given by your bank regulator, be it the FDIC, a separate opinion on your ability to handle and manage the small business portfolio, as well as meeting certain volume thresholds on a continual basis in the market.

Mr. TUCKER. So, that kind of criteria would make a distinction between San Diego and L.A., is that what you're telling me, even though you all are part of the same parent organization and part of the same community development program and same concept?

Mr. MANTLE. Right.

Mr. TUCKER. The other question I had to ask you was, you mentioned that a preferred lender has an obligation to inform the SBA about the loans that it will be involved in. Obviously, it has an underwriting potential or capability. Does that mean that it would have an obligation to inform the SBA in the event of a loan denial, as well as a loan approval?

Mr. MANTLE. No, it does not.

Mr. TUCKER. OK, so it would only have an obligation to inform the SBA upon an approval which it has carte blanche to do based on its preferred status, but in terms of or in the event of a loan denial, it wouldn't have an obligation to inform?

Mr. MANTLE. That is correct.

Mr. TUCKER. That goes right to the heart of many of the problems that the distinguished gentleman from Louisiana and other members of this body have been talking about, that is, the loopholes, the lack of controls, and lack of monitoring within the system right now?

Mr. MANTLE. More so there's the lack of referrals to alternative sources, such as the microloan intermediaries and making sure all possible avenues are exhausted during the declination process.

Mr. TUCKER. Falls right through the cracks, then?

Mr. MANTLE. Correct.

Mr. TUCKER. What would you find, in conclusion—one more thing—what would you say about—I see in your recommendations you talk about surveys and monitoring and certain controls, what would be your reaction to the suggestion that as a matter of mandate, and as a matter of course, that anyone who is denied a loan by any of the participating lenders, be it preferred, general, or otherwise, would have to be informed, would have a right to be informed that they have an appeal process, and then they should be given information and documentation to explain to them what that appeal process is.

Mr. MANTLE. My reaction on a small business applicant that's coming in for the type of lending we're talking about, not general small business lending but the minority enterprise, the economically distressed communities, I believe we have an obligation as a lender to refer them to other intermediaries or agencies which can help them over a period of time get to their ultimate goal of growing the small business. That may be the small business information center, that may be an MBDC, a small business development center. That may be a whole host of entities that can assist them, either information, technical assistance, or alternative financing. I believe that we need to distribute that information to them. We're attempting to do that today in most instances where we're declining difficult credits.

Mr. TUCKER. I appreciate your response, but my question remains, would you be objectionable to a procedure that would indicate, in addition to a referral, that would indicate you've been denied this loan, you have a right to appeal this decision within 60 days. Here's the name and the number and the address of a small business administrator or small business office where you can write and say, here's my dissatisfaction with this, and I'd like for you to review this file.

Mr. MANTLE. As a lender, I'm always opposed to more regulation. However, if it was isolated only to the examples where we're using a Federal guarantee, if the applicant had specifically applied for a loan under a Federal guarantee program and we were referring them to that agency for additional assistance, I would not have opposition. On a widespread business basis where the account was millions of applications processed by banks in this country for non-guaranteed credits, I think you would overwhelm those you would be referring to.

Mr. TUCKER. That's what I was talking about for guaranteed loans, Federal Government guaranteed. Thank you very much.

Mr. MANTLE. Thank you.

Chairman MFUME. Thank you, Mr. Tucker. Mr. Mantle, before I dismiss you, let me just go back to your reluctance about more regulation and suggest to you that both Mr. Fields, who is not here at the moment, and myself, as members of the Committee on Banking and Finance, have been looking at regulatory reform. We expect some time by the end of this year or certainly early in next year to have that in place for financial institutions. We believe it's necessary given the fact that it has been the Congress that has layered the regulatory burden over the years without any substantial review.

However, in hand with that is also a heightened expectation on behalf of members of this committee and the larger Banking Committee that adherence to Community Reinvestment Act requirements is something that is at the top of our agenda. It is a priority, and I would only share that to you as a banker and as a lender.

Thank you very much for your time. I know you have an 11:30 appointment. You are already 15 minutes late. You've been a kind and gracious witness. We appreciate it, and we appreciate the cooperation of the Bank of America. Thank you very much.

Mr. MANTLE. Thank you for your time.

Chairman MFUME. Mr. Bryant, you've been patient, and we don't want to put you off much longer. As I indicated before, you've been before this committee and before the Minority Business Committee before giving testimony in Washington. It's always good to have you back. It's certainly good to be here in Compton with Congressman Tucker, and I ask that you proceed in any manner that you see fit.

TESTIMONY OF JOHN BRYANT, CHAIRMAN AND CEO, BRYANT GROUP CONSULTING AND MANAGEMENT INC., AND OPERATION HOPE, LOS ANGELES

Mr. BRYANT. Thank you, Mr. Chairman, distinguished members of the U.S. House of Representatives Committee on Small Business, Subcommittee on Minority Enterprise, Finance, and Urban Development. Thank you for having me. It is indeed an honor and a privilege to be here, and that's not just a pat statement. I grew up in Compton. I started my first business in Compton at the age 10, the Neighborhood Candy House, and it's very heartwarming to be here in Congressman Tucker's district.

I would ask that the document, the revised 7 page document that you should have, it should be 7 pages and not 4, entitled, "Inner

City Capitalism." I would respectfully request that it be formally submitted for the record.

Chairman MFUME. Without objection, it is so ordered.

Mr. BRYANT. This is a matter of background, Mr. Chairman. Clearly, I've testified before you twice. I would like to provide a brief summary of my background for the other members, if you wouldn't mind. As I said, I started my first business when I was 10 here in Compton with a \$40 loan from my mother, or bribe. It was called the Neighborhood Candy House, and that gave me a taste of the world of entrepreneurship, and went on to sell shoes through Stacy Adams mail order and do other things.

In 1984, I was mentored by a man by the name of Harvey Baskin of Baskin Co's who owned several other businesses, including a financial service company. In 1985, I became an employee of a private banking firm in West L.A. called Wade Cotter & Co., providing finance for many of the office buildings and large multimillion dollar structures you see throughout this country, using primarily insurance and pension fund moneys. I desired a new and different approach, and worked myself into a partnership and to a new division with a lot of promise but no assets.

I grew that division providing short term, asset-based financing for high net worth individuals. I grew that division—which started in 1986, from zero the first year to \$9 million in the second, up to \$24 million in transaction business in year four. In September, 1991, I staged a management buyout of my employer, and in March of 1992, I consummated that transaction. The new firm was entitled Bryant Group Companies, Inc. The business industry I was in is now in Dollins—primarily because of the real estate recession, the double dip recession I like to call it. Primarily I'm now in the business now of advising and avocation on the issues of the Community Reinvestment Act and other empowerment issues, for financial institutions such as Southern California Savings, American Savings, First Bank of Beverly Hills, First State Bank, California Thrift and Loan, communities such as the city of Los Angeles and to a limited degree other communities like the city of Lynwood, on these types of empowerment initiatives. I am also in several other interests, which includes real estate development.

In April 1992, I was called upon, by my own more desire and Reverend Murray and Mayor Bradley, to have my own response to what happened in the civil unrest; and I started an organization called Operation Hope. The short version of Operation Hope was that we were the first to commit funds after the civil unrest to rebuild a pharmacy which is called Handler's Pharmacy at 48th and Western in inner-city Los Angeles, which was a consortium of nine lenders, and now we have over 50 banks committed to the rebuilding and revitalization of this area.

At this time, I'd like to proceed with my comments. April 29, 1992 was symptomatic of a problem brewing in most all of America's inner cities. In 1965, the cap blew. In 1992, the cap simply spilled over for a dangerous and eventful moment. The problem still exists.

The problem is not confined to simply an issue of lack of jobs. Clearly, this is a contributing factor, but far from the only fact. More importantly, there has been, since the days not so long ago

when the African-Americans were first allowed to vote. No system existed for tangible buy-in to the American economic ownership dream. No points of reasonable entry or access to capital or mainstream corporate opportunity existed. I think it's important to note that 89 percent of all the assets in the State of California are owned by white and Anglo-Saxon, or people of white descent—just leave it at that because I don't have a more accurate breakdown. Less than 1 percent of California's assets are owned by African-Americans. I think that dictates how the pie is cut and who cuts it.

Thus, you have in effect redlined inner city areas which are now surrounded by prosperous middle class American communities. As Reverend Murray of First A.M.E. Church would say, you don't care about a system if you don't have a stake in it. Add to this a popular mainstream historical opinion of African-Americans as not being quite good enough. It is obvious that African-Americans have been before and are now, players in the business game in America but playing on an uneven and often unchecked playing field. This is where you can be so valuable.

Accepting the reality of an unequal playing field, many African-Americans with resources have sought to combat this through overcompensation—the right school and education, the right clothes and the right car, the right neighborhood—which in many cases has had the result of draining our financial resources, impacting, often negatively, our credit, and as bankers articulate it, our debt to income ratio. Add to this the absolute fact that minorities living in inner city communities, and specifically African-Americans, have weathered the everyday storms of life in this country without the requisite self esteem.

Additionally, we've had little to no access to sophisticated financial information resources. Why is it that mainstream businesses tend to go to their relationships at fancy law firms and accounting firms, and they get things done, and we end up talking oftentimes to very well-meaning individuals in Government who have never been in business themselves. I think the Government should be a catalyst and a facilitator, but clearly not the answer in and of itself. The private sector needs to talk to the private sector.

In this country, in order to succeed, especially in 1993, you must believe that you can. Many people of color have lost hope and trust in the system. Further, they feel mismanaged and mishandled by a system that arguably they have no say in, and for this sector of the economy, things seem to be getting worse. In these economic times, when mainstream America has a headache, believe me, minority America has pneumonia.

Let me give you some specifics, both issues and solutions. Case in point, under FIRREA, which is the Banking Reform Act, I believe of 1989 Mr. Chairman, passed under the Bush administration, financial institutions must now commit twice the amount of capital for commercial loans as for residential loans. This makes life difficult for West Side developers and small business people, but has a devastating impact on our inner city communities, where the perception of risk is much higher for the lender. Adding to a host of other problems is this tangible lack of incentive to lend in a certain area. In other words, FIRREA inadvertently promotes the practice of redlining in inner city communities. We need to replace inten-

tional or unconscious redlining with the concept of zone lending—a proposed FIRREA exemption for lenders who make a commitment to lend on a safe and sound basis in Los Angeles and other inner city communities.

When we say inner city or minority communities, we are in effect saying underserved communities or lesser served communities. Not only do these areas not have a basket of financial and professional service options available in other areas, but in many cases, they do not have the basics. What's needed at this point is mutual buy—in from the mainstream and minority community. Either we invest now through empowerment, capital access, and ownership, or we will definitely pay later by way of higher taxes, more police, more jails, more problems. Empowerment must include the people who live within the community, and they must be given the opportunity to own something.

It starts with the residents, and logically should move from there to retail, commercial, and business ownership. As an example, in inner city Los Angeles, you have many beautiful and well maintained residential communities. If you visit them, you'll find that they look very much like suburban communities. They answer is ownership. I think it's very interesting in the civil unrest of April 29, and by the way, in the city of L.A. there were 1,100 structures burned, 500 Have been rebuilt, 300 are under construction, and another 100 have plans for rebuilding. Those are facts from the city of Los Angeles Department of Building and Safety that 3,000 Structures in L.A. County were impacted. Not one of them was a residential structure. I think there's a message there.

Two blocks away from many of these inner city residential communities are decaying retail corridors. Is this the disease without a cure or simply a symptom of what is wrong? During the civil unrest of April 29, windows were painted with the words "black owned," when most cases, in reality, it was black leased or black rented. This is an interesting point inasmuch as minorities had less access to capital to acquire properties and businesses, and in inner city communities, the primary form of lending is asset-based lending. "If it's worth a \$100, I'll give you \$50."

Asset-based lending in a community where the average net worth of African-Americans is \$3,000 compared with over \$40,000 for the rest of Americans. But these communities can be viable when the lenders and the Government rethink their traditional roles and approach. African-Americans alone are a \$300 billion a year consumer spending force, the ninth largest in the free world. Over 25 percent of movie tickets are purchased by an African-American consumer. The recent data from several lenders show that inner city Los Angeles loans in this area, primarily consumer loans and residential loans, have lower delinquency ratios than their mainstream counterparts.

I cite California Thrift & Loan, which has 20 percent of their L.A. County loans in the inner city community, and they have a lowered delinquency ratio and a higher pay ratio and a higher yield than in other areas. American Savings Bank, with \$17 billion in assets, their most profitable branch is in East Los Angeles. The problem loans seem to start over a quarter of a million dollars, with residential loans and low to moderate income areas averaging

\$1.5 percent delinquency. Irrespective of these facts, the perception of bad loans and bad business within minority communities, and specifically African-Americans, seem to be just as ingrained the feeling as the hopelessness and indifference within minorities.

In the short term, lenders and regulatory agencies can change the way they look at loans. Increasingly, the solution lies in public-private partnerships and initiatives, with the Federal Government sending the right signal and public finance programs lowering the perception of risk by providing subordinated capital structures that speak to their mission by focusing on public benefit and job creation. Lenders can write loans that make sense, and these loans repay. With this lower perception of credit risk to lenders comes one, a lower cost of capital in these communities, and two, increased capital access. With increased activity by lenders, they will begin to see the benefits of involvement, namely profit, just like grocery stores have discovered, and I would cite an example. In suburban communities, you have one grocery store for every 11,000 residents. In exclusive communities like the Palisades here in California, you have one grocery store for every 5,000 residents.

In inner city Los Angeles, you have 75 grocery stores servicing 2.5 million people, or if you want to break it down a little bit more specifically, one grocery store for every 30,000 to 50,000 people. Lower competition, higher prices, quality is horrible, customer service doesn't exist, and so on and so forth, and the jobs not created as a result of that. Von's in Baldwin Hills Mall is an example of success in the inner city. When you're going to the airport, if you go by Baldwin Hills Mall, this is an example of one of the highest grossing Von's markets in the Von's chain. It was not impacted during the civil unrest of 1992.

Soon thereafter, communities begin to look and function like communities and market competition is the newest theme. With increased all around competition and access, the capital prices will come down, quality and service will improve, and jobs will be created. It's called vested interest. With a move toward market conditions, many illegal and underground opportunists that prey on underground and underpowered areas—there are 700 liquor stores in inner city Los Angeles alone before the civil unrest, more than in some States—they give way to legitimate and less costly and less risky opportunities.

Invest now or pay later. We all have a vested interest in making inner city and minority communities work. The future of these communities, like the history of this country, lies in small business promotion. Jobs, opportunities, ownership, and progress.

In conclusion, Mr. Chairman and members of the committee, I submit for further detailed research and consideration the following specific proposals for increased capital access in distressed communities. I'd like to note that on item one, I am actively in motion to create a secondary market, and I'd be glad to answer your questions on that in more detail later.

First, creation of a secondary market for portfolio residential loans that qualify under CRA in target underserved communities. Right now, you do not have a source to resell these loans once you originate them.

Second, development of a Government guarantee or credit enhanced securitization market for small business loans.

Third, Government supported funding for the administration of community based, private sector loan programs such as Operation Hope, the RLA expansion loan fund, the Renaissance Program at First A.M.E Church, and so on and so forth.

Flexible Government supported back end credit enhancements, reserved for lenders providing credit in underserved communities. This is a very important point.

Fourth, proposal and passage of a FIRREA zone lending exemption for commercial loans in underserved communities which requires the same capital from financial institutions for commercial loans as for residential loans, reversing the disincentive.

Fifth, proposal and passage of a FIRREA amendment or new legislation which would allow financial institutions to consider non-traditional credit, i.e., telephone bill, utility bill, rent credits, and loans from small finance companies that do not report to TRW or credit agencies unless you have a negative rating, and also alternative income sources when evaluating loans for approval in underserved markets.

Sixth and finally, Federal enterprize zone legislation with a private sector paper profit incentive, with controls to assure that the eventual savings create a benefit to the community or group it was designed for, to compensate for a perception of higher risk associated with the inner city.

Mr. Chairman, committee, I rest my testimony.

Chairman MFUME. Mr. Bryant, thank you very much. As always, when you're here before this committee, you provide us with a well thoughtout set of circumstances that tend to be both provocative as well as evocative, because it gives us a human side and a human sensitivity to many of the statistics that we have all too often become familiar with. I appreciate that, and your testimony will be, as you know, a part of the formal record in total. In the interest of time and out of a great deal of respect to my friend and colleague, Mr. Tucker, who has invited us here today, the Chair will yield his time to Mr. Tucker to be added with Mr. Tucker's time, to be followed by Mr. Fields of Louisiana and Mr. Hilliard of Alabama. Mr. Tucker?

Mr. FIELDS. If the gentleman will yield, Mr. Chairman, I yield my time to Mr. Tucker as well.

Chairman MFUME. Mr. Tucker?

Mr. TUCKER. Gentlemen, I thank you very much for yielding, and I wanted to say I appreciate your participation and your reception of the invitation to be here. But in the interest of time, I will also yield, because I know we've been here, and I'm going to yield my time to Mr. Hilliard, and if there's any time left, I know there may be one or two questions, Mr. Chairman, I do not know, but I yield my time at this point. I want to congratulate you on a very stimulating and very informative presentation of testimony, Mr. Bryant.

Mr. HILLIARD. Mr. Chairman, I was going to yield my time to Mr. Tucker, and I was going to do so because I've heard him before, the speaker. Not only have I heard him before, but he embodies my feeling about some of the things that should be done in the African-American community and in the general business community

in order to save American and save our inner cities. I'm very much in accord with him. The only questions I would have, I would like to know what type of feedback he has gotten back from the majority community, from the business community. I understand you did say that you were able to get some of them to participate in rebuilding here. Maybe you want to explain that to us.

Mr. BRYANT. There's good news and there's bad news. The good news is we've got 50 banks, and we've been able to do several projects. The bad news, it's been very, very difficult to structure these transactions, and I understand why most people don't bother to do it. You can't amortize the cost of the time you invest in structuring these transactions. Additionally, from the participant standpoint, there has been little Federal leadership to join them, and they refuse to come by themselves. They are tired of being pioneers. They went through that. They will only follow if there is a clear vehicle, and that has to be a public sector joint initiative. I think we're beginning to move in that direction.

There are some insincere players, but I am encouraged by some real initiatives and some real tangible results that I've seen over the last year. I think really the thing that's needed, though, are things like this credit enhancement which would allow a lender to have, let's say, a 70 percent loan to value exposure versus an 85 percent loan to value exposure if the Government created a vehicle that created a 15 percent credit guarantee. I think you'd see a lot more activity.

The bottom line is they see vested interest. They're starting to see the economics of the inner city. You can't build any more in Beverly Hills. You can't expand any more in the Valley. The middle class and the upper class are all filing bankruptcy and handing back the keys to their Ferraris. So, they're now saying I'd rather make 10 loans at \$10,000 than one loan for a Ferrari with the Ferrari I've got to fight the attorney, I've got to protect the car once I get it, so on and so forth, and on the other hand they've found that there is a certain sense of self esteem in these minority communities. When someone has a house and a car, they take care of it, and they pay those bills first. So, they're really starting to see the economics.

The bottom line with this is it's not moral suasion. It's a return on investment, and it's business.

Chairman MFUME. It's business.

Mr. BRYANT. What encourages me is that there is business to be done, but there has to be a nontraditional approach, a nonjaundiced view toward creating these solutions in the inner city. So, the short answer, sir, is yes, but they're motivated by profit.

Mr. HILLIARD. How many guarantees does the Government have to give them to get them involved? Of those 50 banks you have, what type of loans are they participating in, those that are guaranteed by the SBA or those guaranteed by some State agency, or what type of loan are they participating in?

Mr. BRYANT. This all boils down to one real factor. It's called perception of risk or perception of leverage.

Mr. HILLIARD. OK.

Mr. BRYANT. Deals that will not fund, let's say 90 percent loan to value, it's worth \$100, we want to loan at \$90. They will fund at 50

percent loan to value because there's a much lower perception of risk, and if you have it asset secured, you're really in a good position. They're also concerned about their regulators coming to them and classifying those loans. So, one action, a credit guarantee or anything designed to reduce their leverage in these areas that are perceived to be risky, and you create a mass inflow of capital. We are doing loans only because we are spreading risk amongst the 50 institutions, that you're not asking one institution to do a \$500,000 loan that's a little risky.

Mr. HILLIARD. Are these participating loans?

Mr. BRYANT. Yes, sir.

Mr. HILLIARD. OK.

Mr. BRYANT. Five loans at \$100,000. So, if someone's asking for \$700,000, we may counter at \$500,000 participated among five lenders, and then the Mayor's office of economic development or the development department might come behind us for \$250,000. The positive thing is it wouldn't have been done just from public money. They would have turned it down. It wouldn't have been done just with private money. They would have turned them down. But because of the initiative of working together and spreading the risk, the loan gets funded, but there's a lot of work involved.

Mr. HILLIARD. Thank you, Mr. Chairman.

Chairman MFUME. Thank you, Mr. Hilliard. Mr. Bryant, since so many people are yielding their time, the Chair is going to reclaim a couple of minutes of his time to just ask on particular question after making a brief statement. I'm really interested in knowing what Operation Hope is trying to do to form coalitions with bankers in order to lend money to minority communities. Let me offer to you, though, a concept that many of us are trying to formulate in Washington with respect to lending. We believe that this perception of risk that you talked about still remains a tremendous barrier for individuals based on his color, based on your race, and based on existing stereotypes. We had said that particularly when you are dealing with loan officers, that maybe some other things ought to be looked at instead of the traditional things that banks used to score individuals.

Rather than to see how many credit cards a person may have and how they're paying off their credit cards, if a person doesn't have any credit cards, they're perceived as not having any real good credit. Yet at the same time, if we look at a person's rent record and see if they pay their rent every month on time, that that ought to be part of the equation to supplant or to supplement the total consideration, that you just can't judge everybody by the same criteria if, in fact, that criteria tends to be punitive because those individuals may be at a different status in life or living in a different social condition or have a different social history.

This notion about well, person A doesn't have a credit history, and yet at the same time, person A may not have any judgments or defaults against him or her, ought to be taken into consideration. As I mentioned a moment ago, looking at a zip code instead of looking at the financial stability of the individual to try to ascertain real or perceived risk, are things that are very important.

I have communicated to the White House recently since the President announced his decision to move toward the area of char-

acter loans, that we've got to be very, very careful. Now, the President said at a meeting at the White House at which some of us were present. It was an announcement for the press. He was doing a number of things to stimulate the economy, not the least of which would be to start encouraging character loans again. Well, character loans are OK if we judge everybody's character the same way, but I think you know and I know that this perception of risk, and the stereotypes that exist, mean in many instances that even character loans can be punitive, and create the kind of relining that Mr. Fields spoke about earlier.

I would offer those things for your consideration and to share with you the fact that many of us are concerned equally and are considering them as well and trying to move forward but not get caught up in many of the things that serve to tie us down and to prevent us from being fair with individuals and that create within us, consciously or unconsciously, a system that perpetuates the same sort of stereotypes and redlining and problems and hurdles if it existed too long in this country. If you could take just a moment to talk about how you see it and what you try to do with Operation Hope and form a coalition with bankers to increase lending, I'd appreciate it.

Mr. BRYANT. Thank you, Mr. Chairman. I'll enlighten you and try to be succinct. One comment I'd like to speak to is the comment you just made. We took in 1992, 30 bankers to the inner city, which was the impetus for forming Operation Hope, sensitizing them to what had gone on at the civil unrest. In May of this year, we took 170 bankers and U.S. Secretary of Commerce, Ron Brown, to the inner city, to focus on the success stories that happened in the inner city. It was amazing the responses we got from the bankers. They didn't know that opportunities like this existed. Didn't know it wasn't this bad. You wouldn't think this was the way it was from the media. Didn't know that you had commerce bustling here, so on and so forth. Didn't know that the residential communities were as beautiful and as well taken care of as my community and so on and so forth. That sensitizing at the top, the CEO level, that started an evolutionary process, and it will take a couple of years, but will filter through that organization.

One of the problems is, our problem is very hard to put your hands around, but you have the power of impacting this. When a loan comes in—this is factual, when a loan comes in, only 10 percent of those loans purely qualify under the underwriting criteria. Only 10 percent of those loans really don't qualify without question under that criteria. This is cited in the Boston Federal Reserve Bank Report that was done. Fully 80 percent of the loans are discretionary decisions. So, that means that if you believe what the person is telling you about their bankruptcy and it was associated with their wife or their this or their that, if you want to believe their credit explanations, if you want to believe, then you go up or down on that scale in that 80 percent.

What I have explored with a couple of CEO's, and they have confirmed, is when two people are coming in to you, and one of them is white and another person is a person of color, unconsciously many loan officers will default the positive impression on the Caucasian borrower, assume that what they're saying is true and cor-

rect, and take the position of let's make this loan work. When the African-American borrower comes in, for some reason there is less motivation to make that loan work and more motivation to say well, you've got a bankruptcy, three credit derrogs, and you just don't qualify.

I don't know the solution. That is a very real problem, and again, I cite the report from the Boston Federal Reserve Bank Board report that I really would encourage you to review in that regard. We have been taking the specific steps to not only lend, but also to create investment funds, an equity fund. I'm working with entertainers to create an equity fund. This is not a give-away program. We're not talking about handout. We're talking about a hand. We're saying redirect some of your investment portfolio decisions. Take 20 percent of your investment portfolio decision, Motown or Stevie Wonder, invest in minority businesses, those that pencil. If it doesn't pencil, you don't invest. So, it's not just the bankers. Everybody has to get in this game. We're taking steps. Clearly, I think, Mr. Chairman, we can only be a tap. We're too small. We don't have the capital. We don't have the people, but I think we can be a role model for what can be done if the private sector gets involved. Thank you.

Chairman MFUME. Well, thank you again, Mr. Bryant, and thank you for your patience this morning and for staying here with us as we try to go through this subject together before this committee. Mr. Tucker has indicated that there may be in fact some desire of others to participate. The Chair will exercise its prerogative in that regard and allow for that to occur, and we'll yield to the gentleman from California just a moment.

Let me say to the members of the audience that there is a concurrent event going on now at the Hotel Airport in which several Members will have to be off to shortly, and so if you start seeing people disappear, it's not because they're all trying to go eat lunch around the corner, but they're off to another function. I would yield to our colleague, Mr. Tucker, who has invited us out here, to give the Chair some indication as to who, in fact, may wish to supplement or add to this testimony.

Mr. TUCKER. Thank you very much, Mr. Chairman. Let me again applaud you for a courageous and visionary leadership in bringing this subcommittee out to the city of Compton. I know our friend, Mr. Dayton Watkins, said the city of Los Angeles, but let's make this very clear. This is the city of Compton, where I formerly served as mayor, but most certainly in the Los Angeles area, and we're most certainly concerned with these problems of access to capital and to credit, not only in the Los Angeles area but all over this country. The problems are pretty much uniform.

Let me also applaud my colleagues for some very lucid and some very provocative questions. I think that we have garnered a great deal of information here today that we can take back with us, not only to the full committee but also to Mr. Bowles at the SBA and others so that we can begin to look immediately at policy changes, and this is so compatible with the purpose of why we're here this weekend, and that is to deal with public policy, and this is how I think we're going to see great gains, not only made within the SBA but even outside with organizations like Operation Hope.

If the Chairman does have to leave, I will understand. I know we would end by 12, and there is a luncheon that began at 12, so we're already late. If there are some questions, perhaps we can take 10 or 15 minutes of questions from the audience, but if the Chairman does have to leave, please let me know.

Are there any questions from the audience for Mr. Bryant or Mr. Watkins or anyone else from the SBA? Yes, sir, come down. I think that microphone is on. In order for you to be heard, sir, come down to this microphone right here at the table.

Chairman MFUME. Would you please also give us your name for the record, please, and any interest that you might be representing?

Mr. RIGGINS. My name is Clark Riggins, and pertaining to the amount of money that small business was saying that they would loan, first let me say that I'm very nervous. I have never had the opportunity to speak to so many distinguished young men, especially Congressmen and others. So, I appreciate this opportunity.

Now, in speaking of amounts of money, they say \$10,000 to \$25,000. First, I have borrowed money from Small Business, and in making the application, this was back in '71, they offered \$25,000. I reduced it to \$4,500 because I thought I could do what I needed to do, which was set up a plant and a cleaners. I did it, but it was so much work. But nowadays, \$10,000 to \$25,000 would be very little money to help to go into a business. They wouldn't be doing a thing but hurting themselves, those that don't know.

Now, there are other businesses that you could, but with mine being a cleaners, I'm already in business. I got a cleaning shop, a plant, but I would like to get some more machinery, remodel the place. \$10,000 Or \$20,000 wouldn't touch it. The cleaning machine costs that much or more. So, they're not really doing too much to help us, and especially not being able to go directly to Small Business. There are some minorities or Blacks that are acquainted with computers, printers, \$10,000 wouldn't touch helping them to get started. If you got a building that's run down and need remodeling and all of this, \$10,000 or 20,000 wouldn't. Then we need to know at what percentage would the interest be to pay back. Didn't anyone say. They said it was a fixed rate, but they didn't say whether it would be 13 percent, 6 or 8 percent, or whatnot. We need to know these things.

So, it should be, I think, to be as it once was, be able to go direct to Small Business as I've heard said several times, and not through—because the reason I'm saying that is I'm involved in an investment now which have—I put in a few thousand into it—

Mr. TUCKER. Sir, in the interest of time, let me just see if we can get a response to some of the questions. You've asked some very important questions up to this point, and if I can, let me see if we can get Mr. Watkins from Small Business to respond to you. Is that all right?

Mr. RIGGINS. Oh, yes.

Mr. TUCKER. Mr. Watkins, if you could come to the microphone.

Mr. WATKINS. Thank you very much, Congressman Tucker. I just want to just add a couple of words. First, the statistics from the Census Bureau have indicated to us that 50 percent of the businesses started in America can be started with \$5,000. Our microloan

program will allow a startup company to borrow from \$100 to \$25,000. Now, there are probably industries that are capital intensive in America that certainly \$25,000 is not enough to get started with.

Mr. TUCKER. That's just one program, the microloan program. There are other programs that are available.

Mr. WATKINS. That's right. There are other programs, that through the 7(a) Program, you can borrow up to \$750,000, and the interest rate that banks charge is up to $2\frac{3}{4}$ percent over the prime rate that's being charged by banks. So, the rates, it's up to, it doesn't necessarily have to be the full $2\frac{3}{4}$ percent added to the prime, but certainly banks can charge up to that. We think that the interest rates are competitive, and certainly again up to \$750,000 for a person who is in business.

Mr. TUCKER. Thank you very much. Mr. Bryant?

Mr. BRYANT. Very briefly, you mentioned going direct to the SBA. There is one area that I am very disappointed in our lenders. I have noticed that these lenders are making an incredible profit, citing the report from Bank of America on their loans. They're booking the loans and selling them to what's called the secondary market. You book the loan. You take the guarantee for 80 percent. You've got 20 percent capital at risk. You take a loan and what's called "blow it out the back door." You sell it to Wall Street.

They are not taking any additional, in my opinion, they're not taking much additional discretionary risk or comfort. Even though they have an 80-percent guarantee, they're underwriting the loans just like they underwrite a regular loan. A gentleman like this or other should have some means. I don't want to create competition for the banks, but they should have some means to be able to go in these cases to the SBA, which would have a different sensitivity than that bank. The banks try to maintain their yield and some of them are not dealing honestly and with integrity with the SBA Program. They're using it as a profit center, period. Thank you.

Mr. TUCKER. Thank you very much for those comments. Are there any other questions?

Mr. RIGGINS. No, I'd just like to say that I've been 6 months trying to get another loan on top of these that I have, and it's just been impossible, but with just another little loan with a product that I have been trying to get on the market, we would be gone. I mean, we would get over and it would be sold. In fact, it's a worldwide thing, but we just can't get enough money to just get over the hill. If I can hold out to this winter, I don't think I'll need any help, but holding out is a job. I've got to go day by day.

Mr. TUCKER. Well, sir, I'm going to defer to the distinguished gentleman from Louisiana, but let me first say, sir, that I'm happy that you came and made us aware of your circumstances. You've been given some information, but more than information, as you say, you need some help. One of the things that this committee has been very conscientious about is making sure that the people who you need to contact are here on a grass roots level where you can connect with them. So, after this hearing is over, I would advise you to get some cards and to get some direct communication with those persons so that you can get some direct help.

Mr. RIGGINS. Thank you.

Mr. TUCKER. Mr. Fields?

Mr. FIELDS. You basically said what I wanted to say, Mr. Chairman. The SBA administrator here and the——

Mr. TUCKER. District director.

Mr. FIELDS. District director. What's his—I forgot.

Mr. TUCKER. Mr. Lee.

Mr. FIELDS. Mr. Lee, why don't you hook up with this gentleman now, Mr. Lee, when he walks to the back and see if you can help him.

Mr. MANTLE. I was planning to.

Mr. TUCKER. All right, thank you very much. Any more questions? Yes? For the record, please identify yourselves and any associations.

Mr. IVERSON. My name is Tim Iverson. I work for the city of Compton. I'm the director of economic and management services. In addition to that, I have a responsibility for the management and operation of the city's business assistance center that's in the city. I would like to first thank this committee for this meeting today and, of course, Congressman Tucker, knowing that you were very influential in making sure that it happened here in Compton. Let me say that that's very important and significant to us because we work with the SBA. We work with as many banks as we can that would want to work with us in terms of making available certain capital for the Compton community. That needs to be worked, and I think your questions, your insight, and your statements were right on target, as if you were operating the business today.

What we have tried to do in the city of Compton, we do have a small loan program here, and we have tried to diversify the regulations to allow for certain businesses to acquire capital through different methods. It hasn't worked within SBA. They're good in terms of coming down and talking with us and counseling, but accessing capital from them has been a little bit difficult. We have acquired dollars from HUD and also from the Economic Development Administration. Combined, it's about \$600,000. Those regulations, particularly with EBA, have restricted many individuals from participating because of the match requirement. The funds that we're using from HUD have allowed us to do various things. We're not so concerned about credit, but we don't give away money. We ask that you do come in and speak with us, and we might be able to help you out in doing that.

We have established more than a loan program, but technical assistance services. We will talk to you about the kind of product that you're going to have, the amount of money that you need, and those kinds of things. My business manager is here, and he can get into more detail if that need be, but I just wanted to give you an overview and also a commercial to our Compton community, that we do have these services going on. I heard the name Carla Dartis mentioned about having some services in Compton. Well, that's not so true. That's the city of Compton, and she doesn't work for the city of Compton. We do, and we do have a business center that's located at 307 Tamarind, and it's open from nine to five daily, and you can come in to receive services.

I do want to thank you again for being here, and that these are some real critical issues. Last year when we had the unrest here in

the city, they talk about damages. Well, the city of Compton is 10.4 square miles, and received \$100 million worth of damage. The 122 Buildings and businesses were, in fact, affected. They instantly put what they considered a DAC center, a disaster assistance center, in Compton to help these businesses. Well, there wasn't a lot of help being given because the people did not qualify, what they said. Also, they would send them back with a pound of paperwork to have them completed, and that was very difficult for them to do.

Well, we learned from that. We proceeded on with developing our business center, and not only do we help you in terms of trying to make you qualify for a loan, but we help you in terms of packaging a loan, not for us, but for other institutions. So, it's important that we look at this, the criteria for getting the loan. Of course, it's outdated, and many times we ask for collateral because that's what's required, but our business is not taking you home or taking whatever you put up as collateral. It's making the deal work, and I think we should look more at that than trying to ask what do you have to give me for what I'm going to give you.

So, I do invite the Compton community to come and visit our center, to come and see what we have here, and I do caution and do want the Small Business Administration, the Bank of America and other business institutions to get together because in the discussion that was going up today, it seemed like Bank of America was trying to ask SBA to be more up front in terms of what they could do, and it seemed to be the reverse. I think that SBA should be more considerate in the kinds of programs that they have, and they should deal with direct funding themselves. Of course, Bank of America, all their programs are of other people's money, and it should be their own money, and they should stand behind that, and stand behind the kind of criteria that you set up.

We've even done this because we've tested that. Individuals have come to our shop, and there's been programs that they've listed that's out there. Well, they've gone there and found out that no decisions are made locally. It's all downtown. Well, people can't go down on Wilshire, for those of you who are familiar with the Compton area, you can't go down Wilshire all the time to try to get some kind of assistance they could get over the phone. That's why we have our business center here, and we encourage you to come in. We have an office for you, and you're welcome to come there and carry on your business right here in Compton.

I want to thank you very much.

Mr. TUCKER. Thank you very much, Mr. Iverson, for those very enlightened comments. As you say, the access is there, particularly with that center relocated within the transit center, which is right there where the blue line is. If people don't have other means of transportation, they can get on the blue line and have access to you.

Mr. JEFFERSON. My name is Vladimir Jefferson, and I work for the city of Compton under the economic grants and management services. I have a few comments relative to this hearing, and one of the things that hit me was the need for the creation of additional types of capital for small businesses. I think that we're now in an environment of new paradigm, a new way of looking at businesses, and I think that we can no longer look at businesses the way we

looked at businesses before in terms of credit criteria. So, I think the overall theme must be continually considered, as how are we going to look at businesses in terms of credit criteria.

The old way of looking at certain types of components of credit criteria no longer are going to work if we're going to look at economic empowerment among minority persons to establish minority enterprises or business enterprises. So, I think it's very much necessary that we look at the credit criteria, as Mr. Bryant was saying, differently, because we cannot increase the number of businesses or provide the access of capital if we continue to look at old ways that are not working now.

One of the other things is, there's a very much need to have some type of secondary market. I agree with Mr. Bryant and others that have been here, that there's a need to develop some type of equity, access to equity capital, investment capital versus loan capital. There must be a balance between equity capital and loan capital.

Another issue is that, as Mr. Iverson mentioned, they talked about SBA, which has done a lot, but I think we must look at other lending institutions, how much money are they bringing? Now, as Tim was saying, a lot of these banks are allocating moneys from the Small Business Administration, but now how much money are they bringing and providing and putting into the communities? So, we need investment by local institutions.

One of the other issues I'd like to speak to about SBA, and that is they have the SBA business information center. Now, that business information center is located in Wilshire. I understand that we have a center here in the city of Compton, but how accessible is their information center to areas of South Central Los Angeles, to the Crenshaw area, to other areas? So, I would encourage the Small Business Administration to look at other banks or business information centers around the area, so that they will have access to information and counseling as well. Thank you.

Mr. TUCKER. Some very good points, indeed, Vladimir. We're going to have to take just one more question because we're very, very late for this other engagement. So, this will be the last.

Ms. SPELLMAN. All right, just very briefly.

Mr. TUCKER. Thank you.

Ms. SPELLMAN. Very briefly, I want to appreciate our Congressman for coming down to Compton to see us. I saw him go to Washington, and I knew that he was going to do something good for us. He's still concerned. I'm a small business person. I've talked to him while he was here, and I'm still talking for the small, small people.

Mr. TUCKER. Give them your name.

Ms. SPELLMAN. My name is Essie Spellman. I'm a nonprofit organization. I work with alcohol and drug recovery, homeless people, and we are in need of housing, some type of home for the homeless, and I've been trying to do that. I've done it out of my pocket for years. I heard the gentleman from the Foundation of Hope, Mr. Bryant, was saying that we were standing out with signs saying Black only to keep them from burning down our buildings. It seemed that the people who buildings was burned down, they're building them back, but we had nothing in there. We didn't have but two potatoes in the first place, and we still don't have but two

potatoes because we can't borrow any money. If they had burned it down, they might have built ours back.

We feel very hurt about not being able to borrow any money because we don't have a lot of collateral. I have a home, but I don't want to put it up, and they take that away from me. Then I won't have anything. So, nobody is really helping us. They're not giving us any input. We need too much in order to get nothing. The Bank of America says they're lending to women. I've been in the Bank of America. I've been there for 25 years, and they won't loan me any money to even buy a car. So, you know they're not going to let me have anything for business.

So, I just wish you will continue to be thoughtful of us, keep us in your mind, and whatever you're doing as far as the money is concerned, think about the homeless, the people who don't have anything. We need to be able, the little that we have, that we invest a little in order to do better.

Mr. TUCKER. Ms. Spellman, we thank you, because those are very honest comments, and let me say that you're exactly right. Over a year ago, we had the rebellion starting on April 29. People thought that it was about Rodney King and just about criminal injustice, but what we really find out is that it's about economic injustice.

Ms. SPELLMAN. That's right.

Mr. TUCKER. Statistics will show you, even if the city of Compton that had over \$100 million worth of property damage, that the lion's share of that property damage related to businesses that were not owned by African-Americans, and it did not have a great deal to do with the signs that said Black owned. It had to do with the frustration of people who were lashing out and lunging out at people who they believe had been given access to capital and credit while they did not even live in that community, but worked in that community, and those who find themselves to be the residents and the citizens of a particular community, whether it be Compton or wherever, and don't have that opportunity to have access to capital and the credit were very, very frustrated, and in that particular instance, many of them lunged out in anger and in frustration. So, you're exactly right. These problems are still persisting, as Mr. Bryant indicated.

Then, of course I'm not trying to pick on any financial institution, but as we have what they euphemistically call restructuring, which really means downsizing of companies, and particularly a case in point would be the situation with Security Pacific and Bank of America. We've been trying to work through those issues, how we can still not only have access to capital and credit, but even have access to banks, because many banks have closed down within the city of Compton. I see Melinda Fitten here from Bank America, and I know she's been working with us on these issues, too.

We've been working to make sure that we provide a connection between the Founders Bank and Family Savings, but as you say, there has to be more done so that major institutions, as Mr. Jefferson was saying, can step up to the plate in addition to the SBA and to undertake and to accept their responsibility to realize, as Mr. Bryant was saying, that it is a question of a vested interest, that if we lower the risk taking and the perception of risk in our community, then it's a win-win situation for everybody. If you can succeed

in your business, which is a business that prevents alcoholism, a business that prevents the deterioration of the moral fiber of this community, then we don't have to worry so much about people rioting and having violence and wife beating and all these things because we have increased the health care and spiritual care of a community, and that translates into why these good people are here with the Small Business organization as well as with Operation Hope. Please make sure that you talk with them. Of course, you can always speak with my office, too.

At this time——

Ms. SPELLMAN. Then I just wanted to let you know that Mr. Hilliard, our Congressperson, is from my home town. He's from Alabama.

Mr. TUCKER. Is he really?

Ms. SPELLMAN. I helped raise him.

Mr. TUCKER. You're kidding me. From Birmingham?

Ms. SPELLMAN. I've got his card.

Mr. TUCKER. From Birmingham?

Ms. SPELLMAN. From Alabama.

Mr. TUCKER. All right. At this time, it gives me great pleasure on behalf of the distinguished Chairman of the subcommittee on Minority Enterprise, Finance and Urban Development, as well as, of course, the distinguished Chairman of the Black Caucus, to call this particular hearing, the investigation of the issues of lack of access to capital and credit in distressed communities, to a close. Before I do that, I want to thank all of the participants from the SBA, my panel from the B of A, of course Mr. John Bryant from Operation Hope, the staff director, Bruce Gamble, and of course, our distinguished Members Mr. Cleo Fields, our distinguished Member of Congress from Louisiana and Mr. Earl Hilliard from Alabama.

We bring this meeting to a close, but only that it will lead to some very promising and very profitable information and resolutions of policy, new policy and a new day and a new direction with SBA and for access to capital credit in our communities. Thank you so much, and this hearing is formally adjourned.

[Whereupon, at 12:38 p.m., the hearing was adjourned, subject to the call of the Chair.]

APPENDIX

Statement of

The Honorable Kweisi Mfume
Chairman

Subcommittee on Minority Enterprise,
Finance and Urban Development

Hearing on
Access to Credit in "Distressed" Communities

June 25, 1993

Good morning members of the Subcommittee, distinguished guests, ladies and gentlemen. I am pleased to welcome you to the first hearing of the Small Business Subcommittee on Minority Enterprise, Finance and Urban Development conducted outside the sterile confines of Capitol Hill. I am equally pleased that our first field hearing has been convened in the 37th Congressional District of California. A district now represented by the former Mayor of Compton, my colleague and friend Walter E. Tucker, III.

Although Walter is serving his first term in Congress, he has already demonstrated leadership and a tenacious commitment to work toward solutions to the critical problems confronting urban America, that will serve him, and his constituents well for years to come.

Today's hearing will focus on concerted efforts by the Small Business Administration, and private lending institutions, to provide credit to economically distressed communities through loans to small and minority businesses, and through other innovative methods utilizing public and private sector resources.

Small business development is central to the recovery and sustained growth of the U.S. economy. Minority business development is essential for economic revitalization of inner city communities where crime is commonplace and unemployment levels continue on an upward trend. Given that a majority of residents in urban America tend to be members of ethnic minority groups, the persistent negative stereotyping and racial barriers further hinders social and economic progress.

It has been estimated that small businesses provide two thirds of all new jobs in this country and firms with fewer than 20 employees contribute most of the employment opportunities. As large firms reduce and restructure their workforce, the role and importance of small and minority-owned business becomes even more critical.

This realization makes the issue before our subcommittee today fundamentally important to all citizens of this country. Without access to capital, small and minority-owned business concerns cannot grow, expand, or provide employment opportunities that inner city residents so desperately need. As Chairman of this subcommittee, I am deeply committed to ensuring that Federal policies promote the formation and development of minority business in our major cities which ultimately fosters domestic tranquility.

I have long been concerned about the availability of credit to the minority business marketplace. This Subcommittee's jurisdiction requires that we focus particular attention on this issue, because it largely determines the ability of minority firms to grow and prosper.

It has been demonstrated that minority-owned businesses confront more obstacles in obtaining capital than small non-minority businesses in general. Some have suggested that the disparity in the total number of minority-owned businesses as compared to the overall minority population is creating societal problems affecting families, neighborhoods, unemployment, crime and the general welfare of our cities and the nation as a whole.

While the United States has spent over two years in a slow economic recovery, the minority business community has been, and continues to be, plagued by a chronic and debilitating capital crisis. Although there has been much rhetoric tossed about, particularly following the civil unrest which occurred here last year, the problem continues unaddressed in any realistic way in urban and rural communities all across this country.

I have heard first hand concerns of minority-owned businesses that both equity and debt capital are in short supply. When debt capital is made available, it is relatively more costly to this segment of the business community in contrast to the experience of non-minority business owners.

In its 1992 report to Congress and the President, the U.S. Commission on Minority Business Development stated that "minority businesses which historically start out undercapitalized quite often find it next to impossible to secure financial assistance to grow and expand their companies." Moreover, "access to capital and credit for minorities in business is at the heart of resolving many problems in america, economic and social."

It would be unreasonable to suggest that as a result of the testimony we receive today, members of this subcommittee will be prepared develop comprehensive strategies to address the many ills facing our communities. We are committed, however, to focus the attention of the Congress, the Executive Branch, and the entire business community, on the economic development needs in our urban centers, and to propose solutions that are meaningful and desirable for all concerned.

Today, we will hear from a senior official from the U.S. Small Business Administration who will give us an overview of available programs that promote small business development. He will also share with the measures taken by SBA in response to the unique needs of the Los Angeles small business community.

We will also hear from local private lending institutions, who have been widely recognized as being in the vanguard of providing credit to underserved communities in Los Angeles.

Finally, we will hear from a local entrepreneur and civic leader, who will share his personal experiences in developing unique coalitions to revitalize communities throughout Los Angeles county.



U.S. Small Business Administration
Washington, DC 20416

STATEMENT OF
DAYTON J. WATKINS
COUNSELOR TO THE ADMINISTRATOR
U.S. SMALL BUSINESS ADMINISTRATION

BEFORE THE
SUBCOMMITTEE ON MINORITY ENTERPRISE,
FINANCE AND URBAN DEVELOPMENT

COMMITTEE ON SMALL BUSINESS
U.S. HOUSE OF REPRESENTATIVES

LOS ANGELES, CALIFORNIA

JUNE 25, 1993

Mr. Chairman and distinguished members of the subcommittee:

I am Dayton Watkins, Counselor to the Administrator of the United States Small Business Administration (SBA). Our Administrator, Erskine Bowles, regrets that other commitments have intervened, and has asked me to represent him and the Small Business Administration before you here today. I am joined by our Los Angeles District Director, Mike Lee.

Mr. Chairman, this year marks the fortieth anniversary of the founding of the U.S. Small Business Administration (SBA). Throughout the history of this agency we have promoted growth and progress within the minority business community through a variety of programs. I am very proud to be part of a government agency that has done so much in this regard.

This distinguished record of achievement continues today. The Clinton Administration is committed to strengthening the initiatives we have available for the minority business community. President Clinton understands that it is not only right to take this course, but that it is in the best interests of our country to make sure every American has the opportunity to contribute the full extent of their talents.

One of the ways we promote this business development, Mr. Chairman, is through our well-used loan guarantee programs, which I would like to review briefly for you this morning.

FINANCIAL ASSISTANCE

The first is the 7(a) Loan Guarantee Program. Loans through this program are made by private lenders, usually banks, and are guaranteed up to 90 percent by the SBA. On loans exceeding \$155,000 the maximum guarantee is 85 percent. SBA can generally guarantee up to \$750,000 of a private sector loan. These loans can be used for working capital, machinery, equipment, land and buildings.

The 7(a) program helps the lender make loans that do not fit under normal bank rules and is particularly helpful in cases

where the business is a startup, the loan has a long maturity, or there is a concern about the sufficiency of collateral.

The lender must affirm that it would not make the loan without the SBA guarantee, and under our quality lending criteria, the business must demonstrate to SBA's satisfaction that it can repay the loan from the cash flow of the business.

The following is a breakdown of Los Angeles county by minority group based on the number of loans approved thus far in 1993:

African-American	3.9%
Puerto Rican	0.4%
Hispanic	10.0%
Asian	28.3%

Mr. Chairman, as you may know, SBA's 7(a) loan funds have been exhausted since April 27, 1993. A supplemental appropriations bill, H.R. 2118, that includes funds to reopen the program, has passed both the House and the Senate. It is awaiting action in a conference committee.

A second loan program administered by the SBA is the Certified Development Company Loan Program, or 504 program, which provides permanent fixed rate financing for businesses needing to acquire industrial or commercial buildings, and for those wishing to buy

machinery and equipment. Under this program a bank or other private lender provides 50 percent of the project cost, and takes a first lien position. Forty percent of the project is financed by an SBA guaranteed debenture and has a second lien position. The small business itself finances the remaining 10 percent.

A network of 400 Certified Development Companies serves as the program's foundation. They are non-profit organizations sponsored by private interests and by state or local governments. These CDC's organize the financial package and process, close and service the loans.

The Los Angeles District office generally leads the nation in loan guarantee approvals. In FY 1992, SBA approved 1,035 business loans in Los Angeles County for \$411.2 million. This total includes both 7(a) and 504 loans. Ninety-four loans were made to women-owned businesses for \$37 million. Four hundred fifty-one loans were approved for minority owned businesses for \$167.8 million, which is 44 percent of the total. For FY 1993 to date (October 1992 to June 18, 1993), SBA approved 491 loans worth about \$168 million. Forty-three percent went to minorities. [Please see Tables at end of Statement.]

A third loan initiative, the SBA's Microloan Program is a relatively new and innovative offering that was developed for situations where a small loan can make a difference. Loans range

from less than \$100 to a maximum of \$25,000, averaging about \$10,000.

Under the Microloan Program the SBA makes funds available to non profit organizations for the purposes of lending to the smallest of the small businesses. These organizations also provide management and technical assistance. This is very intensive hands-on assistance.

As of April 30, SBA had made loans to 47 intermediaries for \$16.6 million. These intermediaries had dispersed \$3.1 million to 308 small businesses. The average loan amount was \$10,118. Thirty-one percent were to businesses owned by African-Americans.

In June 1992, a Los Angeles area organization, the Coalition for Women's Economic Development (CWED) received a \$750,000 low interest rate SBA loan to relend to entrepreneurs and a \$150,000 grant to help cover the cost of counseling assistance. CWED has made about 8 loans with many more pending. The organization provides entrepreneurial training and microloans from \$500 to \$25,000 to principally disadvantaged clients. The first four loans approved were all to African-American businesses and averaged \$16,800.

SBA lending programs have also been instrumental in promoting the recovery of businesses affected by the civil unrest that gripped

this area last year. Approximately 97 businesses that already had SBA loans qualified for SBA regular disaster assistance and received deferred payment assistance. The interest rate on the SBA portion of loans for forty SBA borrowers who suffered total or near total physical loss was adjusted to the lowest rate possible to provide for the best opportunity for the borrower's survival.

The LA District Office made about 33 new SBA business loans to businesses located in the affected area. All were made to African-American or Hispanic owned businesses. Some examples:

- o A 7(a) loan to former UCLA basketball star David Greenwood, who opened a Blockbuster Video store in South Central LA.
- o A 504 loan to BILA enterprises, a garment manufacturer. The loan permitted the creation of about 30 new jobs.

Mr. Chairman, three points must be understood about SBA's business loan programs:

- (1) Nearly 90 percent of our business loans are guaranteed, not direct. A guaranteed loan requires that a bank be willing to make the loan with SBA guaranteeing from 85 percent to 90 percent.

SBA has a small direct loan program for inner city, high unemployment, and low income areas: the Economic Opportunity Loan Program (EOL). It is important to recognize that loans to this type of business are riskier than the typical SBA guaranteed general business loan. No doubt the greater risk has an effect on the willingness of banks to make loans in places such as the area of civil unrest. According to the General Accounting Office (GAO), EOL loans had a default percentage of 12.1 percent and a liquidation percentage of 17.3 percent as of September 30, 1990. This contrasts with the 5.4 percent default rate and the 9.6 percent liquidation rate of 7(a) general business loans.

- (2) The current demand for SBA's limited loan funds is at an all time high, and these funds are made available to qualified applicants on a first come, first served basis. And finally;
- (3) SBA cannot make a loan under any program in the absence of reasonable assurance that repayment ability exists.

DISASTER RESPONSE

Mr. Chairman, I would now like to report on the agency's accomplishments in providing disaster assistance to residents and business owners affected by the civil disturbance last April, 1992.

In the wake of a physical disaster such as the Los Angeles civil disturbance, the Small Business Administration (SBA) is the primary form of federal long-term financial assistance for non-farm private sector losses. This assistance is not limited to small businesses; it is available to homeowners, renters, businesses of all sizes and non-profit organizations to fund the repair and replacement of much of the property that is damaged or destroyed in a disaster. These disaster loans are a critical source of economic stimulation in disaster-ravaged communities, helping to spur employment and stabilize tax bases. Disaster assistance is provided in the form of long-term low interest loans.

For individuals, the loans can go up to \$100,000 for real estate and \$20,000 for personal property. For businesses, the maximum loan is \$500,000, unless a business is a major source of employment, in which case SBA may waive that limit. The interest rates in the Los Angeles disaster were 4 percent for homeowners and businesses that did not have credit available elsewhere, and

8 percent and 6½ percent for homeowners and businesses, respectively, that did have credit available elsewhere. The loan terms can extend to 30 years, except for businesses that have credit available elsewhere. Those businesses are limited to a 3-year term. The repayment term of each loan is tailored to the individual needs of the borrower and is based on the borrower's cash flow. SBA's disaster loans are not collateral loans. Although we take whatever collateral is available to secure all loans over \$10,000, we will not decline a loan merely because there is insufficient collateral available.

I should note, Mr. Chairman, that the SBA's statutory authority in making disaster loans is limited. Before loans can be made, we must be reasonably assured that the applicants can and will repay them.

No upgrading of a business or private residence is permitted, unless it is required by the local building code. And, since the passage of P.L. 100-359, SBA may not make disaster loans to individuals or businesses that voluntarily relocate outside of the disaster area.

In general, SBA tries to make the process of applying for a disaster loan as easy as possible. SBA disaster assistance is provided by a separate highly mobile division in the agency whose sole function is making disaster loans. In all disaster

situations, we send trained personnel to the disaster site. In Presidential declarations, such as the one in Los Angeles, the Federal Emergency Management Agency (FEMA) decides the number and locations of Disaster Application Centers.

In response to needs created by the civil unrest, our Los Angeles District Office assisted the disaster office by providing at least one employee to every Disaster Application Center that was opened following the disturbances. One staff attorney was assigned full time to serve as SBA's liaison to the Presidential Task Force on Recovery in Los Angeles.

During the course of the disaster, the SBA helped staff 14 Disaster Application Centers over a period of several months. In addition, in each Center, and in other locations, SBA maintained workshops to help applicants complete their applications. We had 86 SBA employees and 21 volunteers from southern California banks assigned to the Centers. Many of the volunteers (and some of our temporary employees) served as interpreters when needed, mainly for Korean, Chinese and Spanish.

Both the Disaster Application Centers and the workshops operated continuously during the day, in the evenings and on weekends as necessary. At one time, SBA had over 300 employees working solely on this disaster.

At the Disaster Application Centers, all victims with business losses are interviewed by SBA personnel. Applications are provided and explained in simple terms, to demystify the process. Each applicant is informed of the additional assistance available, usually in the SBA workshops, where SBA employees and volunteers sit in a one-on-one situation with victims and help them complete the applications.

For individuals, the Disaster Application Center process is somewhat different. All individual victims are first registered and interviewed by FEMA. If, at that stage, it is obvious to the registrar that the family income of the individual is so low that a loan in any amount is impractical, the individual is not referred to SBA for loan assistance, but is immediately referred to the Individual and Family Grant (IFG) program for grant assistance. All others are immediately referred to SBA at the Disaster Application Center.

SBA interviews victims, and if it becomes apparent to the trained SBA personnel that the combination of family income and fixed debts of the victim will not permit the assumption of additional debt, a "summary decline" letter is issued on the spot. This, again, constitutes a referral of the victim to the IFG program at the Disaster Application Center for a possible grant. All others are given loan applications, explanations, and urged to attend

SBA workshops if they have any questions or difficulty in completing the application.

Applications can be returned either by mail or in person at any Disaster Application Center or workshop. They are screened for completeness and accepted even if they are missing some items so long as they are substantially complete enough to start the process. All accepted applications are docketed and noted in a computerized loan control system which tracks the file's progress through the system.

For physical loans, the first processing step is loss verification, including on-site inspection of the damage during which the loss verifier estimates the cost to repair or replace the damaged items. The information is then forwarded to loan processing, where the financial information is analyzed and the loan decision is made. If the loan is declined, an appeals process is available to the applicant.

For approved loans, SBA maintains loan closing offices where the actual closing can be done and questions answered. Six loan closing offices were established in this disaster and three remain open.

Disaster loans are not usually disbursed all at one time. They are disbursed serially as the funds are needed and used. This

permits us to disburse some funds before all of the closing and collateral requirements have been completed, to reduce the cost to the government of these subsidized loans, to reduce the cost to the victim by not starting the running of interest until the funds are needed, and to help avoid penalties for improper uses of funds.

Often during the course of disbursing the loan, increases, decreases and modification of the loan terms become necessary. These are handled appropriately, and when the loan is fully disbursed, it is sent to SBA servicing offices, which are responsible for servicing and collection activity during the life of the loan. At all times, until the loan is fully disbursed, applicants can get status reports on their loans or have questions answered through the use of "800" phone numbers, which are maintained for each SBA disaster area office.

Meeting the needs of the community here required more than federal intervention could provide, Mr. Chairman. It required help from friends, neighbors and concerned citizens. And this help was forthcoming. The Minority Business Development Agency (MBDA) of the Department of Commerce funds minority business development centers in Los Angeles that are operated by R.J. Miranda Company and Grant Thornton Company. After the disaster, MBDA instructed the two companies to waive their fees for business victims of the disaster and to help them complete their

SBA loan applications. MBDA increased their funding and SBA quickly oriented these professionals to our forms and processes. All minority business applicants who visited SBA in Disaster Application Centers were immediately referred to these two companies for assistance. In some Centers, representatives of MBDA or the companies were physically present to set up appointments. This free loan packaging service assisted hundreds of disaster victims.

Soon after the disaster, SBA made contact with the AT&T Language Line Service, which offers interpreter services for more than 130 different languages and dialects. AT&T quickly volunteered this service for nine months at no charge. This telephone service is a real-time service that puts the disaster victim/applicant, an SBA employee, and a qualified AT&T interpreter on a conference call so that the victim and the SBA can communicate easily and effectively. This service has helped across-the-board in verification, loan processing and loan closing. In just nine months, this service handled more than 6,000 calls in 18 languages.

By June 17, 1993, we had conducted 21,943 interviews (2,709 homeowners or renters and 19,234 businesses). As a result, 1,126 summary declines were given to homeowners and renters and 19,834 applications were issued. 8,366 loan applications were filed with SBA (497 homeowners and renters, 4,066 business physical and

3,803 EIDL). Of these, 8,290 have been processed to a decision, leaving only 76 still pending. There have been 5,493 approvals for \$326.9 million, 1,957 declines and 840 withdrawals. The approvals consist of 158 loans to homeowners and renters for \$959,000, 2,904 business physical loans for \$261.4 million, and 2,431 EIDLs for \$64.6 million. The overall approval rate is 74 percent, one of the highest rates in recent disasters.

This disaster was different from the usual large disaster since most of the victims were businesses rather than individuals, and we encountered many more language difficulties than in most other disasters. It immediately became apparent that we would have to make a concerted effort to reduce the usual turnaround time of 30-45 days for business loans in a disaster of this magnitude.

Mr. Chairman, we reduced the loan processing time for the average case by nearly 2 weeks, to 20-25 days. We also shortened the disbursement process and modified the disbursement procedure to allow us to get checks in borrowers' hands in record times.

In the disaster program, we do not currently keep statistics on loans approved to specific ethnic groups. However, we estimate that 42-48 percent of the applicants/borrowers were Asian (mostly Korean) and 16-20 percent were Hispanic. That leaves 32-42 percent of all applicants/borrowers that cannot easily be placed in a specific ethnic group. From general observation, however,

we estimate that 24-32 percent of all applicants/borrowers were African-American.

As I am sure you know, the federal response to this disaster has received much community and media attention. At all times, SBA has been conscious of the various critiques and has tried to respond within the limits of its statutory authority. Many problems have been brought to our attention and quickly alleviated and we will continue to be responsive to the needs of all victims in this disaster.

We are proud of the work of our disaster program. It succeeds under the most demanding conditions, balancing the needs of victims and the community. Although we must consider costs and the safety of Government funds, we are as compassionate as possible. In this disaster, Mr. Chairman, I believe we have done a good balancing job, and have responded with reasonable compassion, understanding, enthusiasm and an appropriate sense of urgency.

COMMUNITY OUTREACH/BUSINESS DEVELOPMENT

With regard to community outreach efforts and business development activities following the civil unrest, the Los Angeles District Office took the lead with local SBA lenders in forming a Lenders Coalition to make loans in the impacted area.

As a direct result of these efforts, Founders Bank, the only African American-owned bank in Los Angeles, was recruited and certified as a SBA guaranteed lender on May 21, 1992. Technical assistance has been provided to Founders Bank to expedite loan processing. Founders Bank has submitted the following 7(a) loans:

Big Time Donuts	Approved for \$45,000
Taylor Made	Approved for \$35,000
Sandcastles Preschool	Pending approval for \$447,000

All three loans are for African American-owned businesses.

The District Office staff participated in over 125 initial meetings, seminars, workshops and training sessions immediately following the unrest, including events with First AME Church, the Los Angeles District Advisory Council, and top 40 lenders.

The management team in the Los Angeles office emphasized the improved delivery of services to all segments of our community, especially to the small business community that has been traditionally underserved by SBA services. This commitment by the district director and his two most senior staff has resulted in approximately 200 outreach activities since October 1992 primarily aimed at areas most affected by the civil unrest. New alliances with many community-based organizations located in

South Central Los Angeles have been nurtured for the first time and have resulted in an increased awareness of SBA activities in South Central Los Angeles.

The focus of district activities has been on two areas: ensuring that all areas under our jurisdiction receive access to SBA services and loan programs; and assisting small businesses in the development of jobs.

These objectives have been met by forming partnerships with established community-based organizations located in underserved areas. We met with key executive officials and learned about the organizations while providing an overview of SBA services in the four areas (business development, financial assistance, advocacy and procurement assistance including MSB). We then followed up with meetings with key support staff.

These partnerships have resulted in the development of workshops and special events and an increased demand for local SBA assistance. Among the partnerships nurtured are:

- Black Business Association
- Afro American Chamber of Commerce
- Drew Institute of Compton, CA
- Entrepreneurial Development Academy of Lynwood, CA
- Compton Chamber of Commerce

- Operation HOPE, a consortium of banks
- Pacific Asian Consortium for Employment
- Local Initiatives Support Corporation
- Asian Business Association
- National Association of Women Business Owners
- Coalition of Women Economic Development
- Compton Community College

SBA opened a Business Information Center in October 1992. The one-stop business center is located in mid-Wilshire, convenient to areas most in need of attention. The facility offers Service Corps of Retired Executives (SCORE) counseling and serves as a state-of-the-art technology center with personal computers and business related software and application programs. To date, 2,223 customers have visited the center.

The Business Information Center (BIC) has served as a catalyst in forming alliances with non-traditional SBA partners, who promote business training in South Central L.A. and other disadvantaged areas. BIC Workshops are typically given during evenings and on Saturdays to meet the special needs of the partners' clients.

The emphasis of the workshops is on business planning for start-up businesses. In a typical workshop, an overview of the abundant reference material, databases and computer software applications is provided and then followed by business planning

discussions conducted by the U.S. Census Office and the IRS. These special workshops have been well received and have been provided to the following partners:

- Coalition of Women Economic Development
- Community Coalition
- DREW Institute of Lynwood, CA
- Black Business Association (scheduled for 6/31/93)
- Neighborhood Business Development Center, located at Founders Bank and funded by the Commerce Department
- Los Angeles Business Magnet High School in downtown Los Angeles
- Business Development Center, affiliated with the Pacific Asian Consortium for Employment Incorporated and funded by the U.S. Department of Education

New workshop programs are being discussed with the Community Coalition (an anti-gang effort and a CBO), Pasadena Neighborhood Economic Center (a CBO focused on low income individuals), and the Verdugo Private Industry Council (concentrating on displaced aerospace workers).

The District Director serves on a steering committee that organized the first Business Assistance Network conference, along with the City and County of Los Angeles, University of Southern

California, State of California Department of Commerce and EDD. The Conference was attended by more than 200 local business development practitioners from the public and private sectors. The objective was to coordinate business development efforts, including those located in South Central Los Angeles.

The District Director and Deputy District Director are members of two separate subcommittees of Rebuild Los Angeles (RLA). RLA is a private sector venture to stimulate job creation and development in the areas affected by the civil unrest.

The District Director is also a member of Operation HOPE, a consortium of major lenders. The consortium recently toured South Central Los Angeles and met with the Mayor Tom Bradley and Secretary of Commerce Ron Brown.

The District Office formed a Lenders Coalition immediately following the unrest to increase lending to the affected areas. This effort resulted in Founders Bank becoming the only African-American owned bank in Los Angeles, to be certified as a SBA lender, as noted earlier.

Four Neighborhood Opportunity Centers, with SBA staffing, provided one-stop federal assistance directly into affected areas. Two continue to operate today.

As a result of the civil disorder, the City of Los Angeles received a special designation as a "Weed and Seed" city and received about \$19 million in new federal funds. About \$1 million was designated for increased police programs and the remainder for social service programs. SBA volunteered to be the chair of the Business Opportunities Working Group (BOWG) of "Weed and Seed". One of the major activities of the BOWG was a community forum. SBA was the principal organizer and leader of the November 14, 1992 community forum "Empowerment Through Knowledge", held at the Los Angeles Convention Center.

This forum included more than 500 business people and residents of the affected areas with over 50 public and private sector organizations. It is projected that, as a result of the forum, up to \$20 million in contracts may be awarded to small and minority contractors in the Los Angeles area.

MINORITY SMALL BUSINESS PROGRAM

In May of 1992, Judith Watts, SBA's Associate Administrator for Minority Small Business and Capital Ownership Development traveled to Los Angeles to determine how her program might be helpful. She met with the local minority business community and trade associations, including the Asian Business Association, Young Black Professionals, the Black Business Association, the

Latino business Association and KaWes and Associates. Out of the meetings came proposals for 7(j) funding of management and technical assistance projects from KaWes and Associates and the City of Los Angeles, Office of Economic Development in cooperation with Operation Hope. Both projects are being revised by the applicants. Funding is pending.

Mr. Chairman, this concludes my prepared remarks. I will be pleased to respond to questions.

SBA Business Loan Approvals in Los Angeles County

Fiscal Year 1992

Ethnic Code	# of Loans	Amount Disbursed \$	%	Amount Approved \$	%
African-American	30	7,157,674	2.9	9,019,650	2.2
Puerto-Rican	2	347,854	0.2	1,376,000	0.3
Hispanic	86	24,383,458	8.3	29,725,457	7.2
Asian	330	108,515,526	31.9	127,183,075	30.9
Undetermined	5	2,465,500	0.5	2,465,500	0.6
White	579	211,878,913	55.9	240,891,615	58.7
Multi-group	3	543,000	0.3	543,000	0.1

Ethnic Code	# of Loans	\$	Amount Disbursed \$	\$	Amount Approved \$	\$
TOTALS	1035	100.0	355,591,925	100.0	411,204,297	100.0

SBA Business Loan Approvals in Los Angeles County

Fiscal Year 1993 to June 18

Ethnic Code	# of Loans	%	Amount Disbursed \$	%	Amount Approved \$	%
African-American	19	3.9	1,866,977	1.6	3,001,449	1.8
Puerto-Rican	2	0.4	50,000	0.0	420,000	0.2
Hispanic	49	10.0	7,725,538	6.4	13,005,776	7.7
Asian	139	28.3	43,023,847	36.0	53,489,438	31.9
Undetermined	6	1.2	1,747,500	1.5	1,947,500	1.2
White	273	55.6	64,536,215	53.9	95,264,468	56.8
Multi-group	3	0.6	683,000	0.6	683,000	0.4
TOTALS	491	100.0	119,633,077	100.0	167,811,631	100.0

BUSINESS LOAN APPLICATIONS RECEIVED IN LOS ANGELES DISTRICT OFFICE		
	FY 1992	FY 1993 TO DATE
APPROVALS	1115	544
SCREENOUTS	282	161
DECLINES	100	122
WITHDRAWALS	60	42
IN SCREENING	5	0
IN PROCESS	15	0
AWAITING FUNDS	1577	64
TOTAL	1577	933

TESTIMONY OF
MIKE MANTLE
PRESIDENT
BANK OF AMERICA COMMUNITY DEVELOPMENT BANK

UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON SMALL BUSINESS
SUBCOMMITTEE ON MINORITY ENTERPRISE, FINANCE
AND URBAN DEVELOPMENT

COMPTON CITY HALL
205 SOUTH WILLOWBROOK
COMPTON, CA 90220

JUNE 25, 1993

Good Morning, my name is Mike Mantle. I am President of Bank of America Community Development Bank, a state chartered banking subsidiary of BankAmerica Corporation opened in April of 1990 which is focused on providing community development loans in the State of California.

I am currently Chairman of the American Bankers Association's Community Development Lending Committee, and serve on the Board of Directors of the Local Initiatives Support Corporation affiliate the National Equity Fund. I also serve on the Board of Directors of the Development Training Institute in Baltimore, Maryland, and as a member of the State of California Small Business Development Board.

Bank of America Community Development Bank defines community development lending as the use of public/private partnership programs which facilitate the ability to extend credit for affordable housing, small business, or consumer purposes which would not be available on a conventional basis from a financial institution.

To accomplish our community development lending mission we utilize a wide variety of Federal, State, and local municipality programs designed to stimulate lending activities within our serving area. Examples of these programs are the Federal Low Income Housing Tax Credit, HUD insured multi-family housing loans, Farmer's Home Administration housing loan products and economic development loan programs, FHA Title I home improvement loans, State of California Rental Housing Construction Program loans, State of California Regional Loan Guarantee Program for small business enterprise, a variety of municipal programs which leverage local resources received under the Community Development Block Grant Program, and the Small Business Administration 7a and 504 loan programs.

In 1992 Bank of America Community Development Bank originated over \$130 million in community development loans, with \$30 million for small business, and \$100 million for affordable housing projects. For 1993 we have established goals in excess of \$150 million in loan originations which we anticipate meeting provided the SBA 7a program receives funding in the near future.

Within our small business lending programs we have established internal goals that a minimum of 33% of our loans be made to either minority or woman owned businesses, and that a minimum of 25% of our loans be made for amounts of \$100,000 or less. These goals, which are incorporated into the performance plans of our staff, are a direct result of feedback we have received from community groups during our annual needs assessment survey we conduct. Across the entire State we are told that both small loans and minority/women owned business access to credit are critical issues.

In 1992 39% of our small business loans were to minority or woman owned businesses, and 46% of the loans were for \$100,000 or less. In the first quarter of 1993 57% of our loans were to minority/women owned businesses and 50% were for \$100,000 or less. We are proud of our commitment to utilize public sector programs to meet unique community based credit needs within the varied markets we serve.

I would like to focus my comments today on recommended changes to the existing SBA 7a loan program and process. I believe these changes would enhance the availability of credit to economically distressed communities, both rural and urban.

As background for my comments it must be pointed out that the SBA 7a program historically has the largest public sector funding of any small business assistance program in the country. Although the SBA 7a program has been without funding to grant new loans since late April of this year, my comments are made under the assumption that the Federal commitment to small business lending programs will continue in the future.

My comments center around a recommendation that the SBA 7a and 504 loan programs be linked much more closely with the Community Reinvestment Act of 1977. Regulated financial institutions have become increasingly aware of CRA over the past few years, with public disclosure of CRA ratings, and regulatory approval of bank mergers, branch openings, etc. now being impacted by CRA performance.

Bank of America Community Development Bank and numerous other lenders use SBA programs as part of their overall product mix to meet small business credit needs. But frankly, lenders have experienced difficulty in utilizing the SBA

program to meet the needs of economically distressed communities. We have discovered that basic requirements of regulated financial institutions under CRA are not requirements of the SBA.

For example, financial institutions are required to conduct needs assessments of their serving areas, and develop products which meet the needs identified. The district offices of the SBA, of which there are six in California, do not conduct a similar survey.

Under CRA financial institutions are required to track loans by geographic distribution and ethnic distribution and take actions to ensure a fair distribution of their products. The SBA on the other hand is not required to take similar action. It is also interesting to note that many of the largest SBA lenders in California are non-regulated lenders not covered by CRA. For example in 1992 two of the five largest SBA lenders in the Los Angeles district office of the SBA were non-regulated lenders not covered by CRA. These two lenders utilized 20% of the SBA guarantees issued in Los Angeles last year. The attached exhibits demonstrate this point.

It is also interesting to note that these two non-regulated lenders had an average loan size of \$430,776 which is 15% above the average size loan made in the district of \$377,312, and well above the \$100,000 threshold which community based groups tell us are critically needed. There is no requirement of these unregulated lenders that they address the needs of economically distressed areas, minority businesses, or borrowers with smaller loan needs.

As the information contained in the attached SBA Loan Profiles report for 1992 indicates only 2% of the SBA loans made in 1992 in this country were to black owned businesses, 3% to hispanic owned businesses, and 10% to women owned businesses. Additionally, as the report demonstrates, only 35% of the SBA loans made in 1992 were for \$100,000 or less of which only 15% were for \$50,000 or less.

The following specific recommendations are made:

1. Each district office of the SBA should conduct an annual needs assessment survey identifying the key small business loan needs in their districts, and require participating lenders to present plans on how they will address and meet these needs. Lender performance should be monitored.
2. The SBA currently places lenders into three classifications.

"Preferred" lenders are granted what is the equivalent of delegated underwriting authority from the SBA. Lenders who enjoy this status are able to originate SBA

loans without first submitting the entire loan to the SBA for review and approval which greatly enhances the timing of funding and reduces lender expenses.

"Certified" lenders are granted expedited loan approval from the SBA on individual loans submitted for approval. This expedited approval which is stated to be 3 business days in reality averages closer to two weeks.

"General" lenders are required to submit individual loans to the SBA for approval with no committed turnaround times. Lenders with this status generally experience difficulties in providing timely turnarounds of loans to their clients.

It should be noted that lenders "earn" their status based on subjective opinions of each of the SBA district offices. The criteria utilized to determine lender status do focus on the number of loans the lender originates and their ability to adequately service their loans. Criteria for certified or preferred lender status does not include loans for minority/women business enterprise or small loans.

In fact the largest non-regulated SBA lenders in California in 1992 enjoyed preferred status. Banks such as Founders an African American owned institution serving South Central and other parts of Los Angeles, Wells Fargo, and First Interstate had general processing authority.

It is recommended that any financial institution regulated by the OCC, FRB, FDIC, or OTS which has received a satisfactory safety and soundness rating and a satisfactory or better CRA rating be granted the equivalent of "preferred" lender status, in other words delegated underwriting authority to make a loan.

This removes a duplication of Federal government monitoring of lenders, and will increase the availability of small business loans. It will also reduce expenses at the SBA, savings which can be used to increase guarantee authority. Lenders who do not follow program regulations or do not properly service and collect their loans should not have their SBA guarantees honored.

Another variation of this recommendation would be to grant lenders preferred status on smaller loan transactions, with SBA reserving the option to review larger transactions prior to committing. For example in Los Angeles today we, as well as Founders and other lenders, must submit \$10,000 loans to the SBA for prior approval while at the same time \$1,000,000 loans being made by non-regulated lenders are being made without this requirement. Establishing a threshold at the \$250,000 level for this would meet the needs of our markets.

3. Any financial institution which is regulated by the OCC, FRB, FDIC, or OTS should be allowed to utilize their loan documents in the SBA lending process,

with the exception of the SBA guarantee form which is unique to the transaction. This will serve to reduce lender expenses, particularly on smaller transactions, stimulate lender participation, and expedite credit availability.

4. Assign each lender one SBA office responsible for all aspects of the lender/SBA relationship, including loan approvals, guarantee payments, and monitoring reports. Currently many lenders must deal with multiple offices of the SBA supplying the same information to each one. Additionally this will serve to give lenders a uniform answer to common issues which are handled differently in each of the district offices.

5. Develop electronic data transmission capacity between lenders and the SBA, eliminating the need for costly manual reports.

6. In exchange for the above recommendations which would reduce lender expenses and allow more lenders to effectively participate in the SBA program, explore the concept utilized by the FHA Title I home improvement loan program under which lenders are granted delegated underwriting authority and the ability to purchase a loan guarantee. In exchange the lender pays an annual "insurance" premium of 1/2% on its insured portfolio. Defaulted loans are presented for payment under the insurance and paid provided the program's regulations have been followed.

Lenders can afford to pay the insurance premium from the cost savings generated in recommendations 1 through 5, while at the same time generating additional revenue to the SBA. This additional revenue should be utilized to expand the guarantee authority or to fund a small business equity fund.

7. The SBA should create a new equity fund for small businesses by recapturing a part of the profit made by SBA lenders that sell loans in the secondary market. Today some SBA lenders are selling SBA guaranteed portions of loans at premiums up to 17% in secondary markets.

As many small businesses are in need of equity versus loans in today's market, this concept would help to create desperately needed funds in the small business community, particularly in economically distressed areas, with no additional outlay of Federal dollars. The attached copy of Bank of America's Community and the Bank publication from the Spring of 1993 further discusses this concept.

8. The SBA should mandate that loans eligible for the SBA 504 loan program be required to be funded under that program instead of utilizing the 7a loan program which is more designed to meet the desires of the lender than the needs of the borrower or the SBA.

The 504 program provides a borrower with an option to obtain long term fixed rate financing at below market interest rates for up to 40% of the acquisition price of commercial real estate. The stability of fixed rate financing allows for better planning, budgeting, and forecasting of cash flow needs by small business owners, and removes the risk of increasing interest rates causing job downsizings.

Additionally the 504 program gives the SBA a better leveraging of its scarce resources. For example a commercial property being acquired for \$1,000,000 with 90% financing supported by the SBA uses \$400,000 of SBA resources under the 504 program with \$500,000 of private sector funding versus a 7a loan which uses \$750,000 of SBA resources and \$150,000 of private sector funding. The concept would greatly expand the total dollars which the SBA could cause to be lent without increasing the SBA allocation.

9. The SBA should expand the use of the micro loan lending program which lends funds to local intermediaries which they in turn lend out in amounts up to \$25,000 in their communities. Many of the non-profit intermediaries involved with this program have experienced great success in delivering cost effective credit to credit worthy small businesses.

The above recommendations will generate considerable debate and criticism among existing SBA lenders and SBA district offices who would prefer to continue business as usual. However, we believe that the current economic environment calls for all of us to be more creative, more enterprising and more strategic about community development. Arguments will be made that the program needs no revisions as it is over subscribed annually. These recommendations do however present opportunities to stimulate a greater availability of credit in economically distressed areas, while at the same time generating additional funds for expanding small business assistance programs.

I thank you for your time this morning.

EXHIBIT I

U.S. SMALL BUSINESS ADMINISTRATION
REGION IX

FY 1992 LENDER RANKINGS
SBA 7a LOAN PROGRAM

San Francisco Regional Office

FY 1992 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
MONEY STORE INVESTMENT CORP.	290	121,288,497	96,167,610
GOVERNMENT FUNDING CALBIDCO	247	98,934,998	80,122,906
BANK OF COMMERCE	161	58,360,670	47,111,281
MECHANICS NATIONAL BANK	144	51,072,670	40,451,824
TRACY FEDERAL BANK	92	52,914,550	37,049,280
SACRAMENTO COMMERCIAL BANK	159	43,168,882	35,545,332
TRUCKEE RIVER BANK	142	43,868,330	35,196,566
LIBERTY NATIONAL BANK	93	34,421,154	28,320,601
MID CITY BANK	68	32,227,247	25,864,211
AMERICAN PACIFIC STATE BANK	77	30,492,500	23,482,122
VALLEY BANK OF NEVADA	103	26,090,879	21,723,704
HELLER FIRST CAPITAL	70	26,045,130	20,779,673
COAST COMMERCIAL BANK	72	24,435,875	17,960,000
SAN DIEGO COUNTY CDC	42	17,846,000	17,846,000
QUEEN CITY BANK	56	19,159,121	15,150,161
BAY AREA BUSINESS CDC	28	14,905,000	14,777,500
GENERAL BANK	39	16,829,090	14,026,170
BANK OF SAN DIEGO	34	16,986,633	13,618,829
HANMI BANK	43	15,921,600	13,272,276
ELDORADO BANK	32	15,589,904	12,795,986
BANK OF OAKLAND	46	14,759,600	12,435,637
CALIFORNIA STATE BANK	42	16,880,800	12,243,161
FRONTIER BANK	28	14,029,200	11,596,849
CALIFORNIA STATEWIDE CDC	22	11,219,000	11,219,000
BANK OF COMMERCE (AUBURN)	35	13,307,608	10,815,832
NATIONAL BANK OF CALIFORNIA	27	13,076,300	10,594,305
PACIFIC WESTERN BANK	40	13,522,329	10,574,902
NORTH COUNTY BANK	37	12,708,916	10,429,935
EAST COUNTY BANK	39	12,518,100	10,414,493
REGENCY BANK	30	13,336,000	10,275,772
FIRST INTERNATIONAL BANK	35	12,351,450	10,201,412
NEVADA STATE CDC	37	10,081,000	10,081,000
BANK OF YORBA LINDA	24	12,315,075	9,712,654
BANK OF AMERICA	71	11,323,100	9,634,400
ITT SMALL BUS. FINAN CORP.	48	12,207,000	9,626,240
ORANGE NATIONAL BANK	21	11,126,044	9,246,291
GARFIELD BANK	26	11,349,878	8,767,560
BAY AREA EMPLOYMENT CDC	19	8,598,000	8,598,000
WESTERN COMMUNITY BANK	20	10,943,330	8,053,244
BAY BANK OF COMMERCE	46	10,176,855	7,977,519
BDF OF SACRAMENTO	22	7,854,000	7,854,000
INDUSTRIAL BANK	32	9,258,570	7,725,622
CALIFORNIA BUSINESS BANK	24	9,066,100	7,539,850
NEW VENTURES CDC	23	7,388,200	7,388,200

San Francisco Regional Office
FY 1992 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
SONOMA NATIONAL BANK	26	9,446,200	7,358,978
PACIFIC VALLEY NATIONAL BANK	33	8,490,400	7,188,154
CALIFORNIA CENTER BANK	22	8,617,279	6,983,285
LANDMARK BANK	13	8,823,267	6,938,319
CUPERTINO NATIONAL BANK	25	8,136,450	6,316,770
WESTERN UNITED NATIONAL BANK	21	7,580,650	6,261,398
COMMERCIAL BANK SAN FRANCISCO	21	7,937,185	6,242,145
COAST BANK	23	7,211,376	5,994,187
CAPITAL BANK OF CALIFORNIA	15	6,937,921	5,646,094
BANK OF HAWAII	43	6,625,240	5,567,822
SUNWEST BANK	13	6,722,800	5,543,620
FALLBROOK NATIONAL BANK	20	6,505,973	5,536,097
SAN DIEGO TRUST & SAVINGS BANK	15	7,056,700	5,447,495
NATIONAL BANK OF THE REDWOODS	21	6,901,000	5,386,325
LA HABRA LOCAL DEVEL CO INC	13	5,379,000	5,379,000
PACIFIC INLAND BANK	14	7,431,640	5,288,902
HEDCO LOCAL DEVEL CORP	12	5,222,000	5,222,000
GOLETA NATIONAL BANK	28	6,459,006	5,195,050
GOLDEN PACIFIC BANK	23	6,450,000	5,089,620
CONCORD COMMERCIAL BANK	25	6,043,260	5,025,237
SACRAMENTO FIRST NATIONAL BANK	15	5,646,100	4,578,740
UNION BANK	20	5,211,757	4,434,855
ANTELOPE VALLEY BANK	18	5,508,054	4,377,671
SANTA ANA CITY LDC	6	4,302,000	4,302,000
ZIONS 1ST NATIONAL BANK	17	4,960,500	4,015,298
MONTEREY COUNTY BANK	18	4,678,300	3,951,700
FIRST NATIONAL BANK OF VENTURA	16	4,507,800	3,815,455
BANK OF INDUSTRY	14	5,291,750	3,617,888
VISALIA COMMUNITY BANK	14	4,305,000	3,600,804
BURLINGAME BANK	14	4,374,700	3,599,190
ROCKY MOUNTAIN BANK	11	4,346,000	3,518,750
DIRECT	39	3,485,500	3,485,500
BANK OF ANAHEIM	6	4,774,342	3,418,807
FOUNDERS BANK OF ARIZONA	15	4,293,500	3,392,640
FIRST AMERICAN CAPITAL BANK	13	3,947,051	3,323,726
CAPITAL BANK OF CARLSBAD	16	4,062,292	3,287,153
COMMERCE BANK, SAN LUIS OBISPO	16	3,870,000	3,220,435
RIVERSIDE COUNTY CDC	7	3,218,000	3,218,000
ARIZONA ENTER. DEVEL CORP	11	3,050,000	3,050,000
FIRST INTERSTATE BANK, CA	14	3,572,258	3,031,457
1ST NAT BANK OF CENTRAL CA	12	3,349,800	2,860,380
HUNTINGTON NATIONAL BANK	8	3,416,868	2,807,731
NATIONAL BANK OF SOUTHERN CA	9	3,245,200	2,749,880
SIX RIVERS NATIONAL BANK	10	3,419,000	2,719,226
MID STATE DEVELOPMENT CORP	12	2,718,000	2,718,000
SUN COUNTRY BANK	17	3,222,000	2,717,450
SAN JOSE NATIONAL BANK	15	3,819,081	2,673,811

San Francisco Regional Office

FY 1992 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SEA SHARE
MODESTO BANKING COMPANY	8	3,318,595	2,623,423
WELLS FARGO BANK	14	3,179,500	2,598,950
COUNTRY NATIONAL BANK	13	3,114,000	2,583,888
BANK OF LODI	12	3,000,500	2,565,795
DESERT COMMUNITY BANK	12	3,043,027	2,863,504
TUCSON CDC	16	2,535,000	2,535,000
M & I THUNDERBIRD BANK	12	3,129,000	2,436,400
CUYAMACA BANK	11	2,856,350	2,429,198
BARBARY COAST NATIONAL BANK	13	2,760,000	2,380,633
VALLEY NATIONAL BANK, ARIZONA	16	2,853,000	2,317,305
WEST VALLEY CDC	5	2,308,000	2,308,000
BANK OF SALINAS	6	3,258,500	2,296,754
SUISUN VALLEY BANK	9	2,669,500	2,257,580
VALLEY INDEPENDENT BANK	13	2,724,538	2,243,156
CENTRAL COAST CDC	8	2,222,000	2,222,000
NORTH VALLEY BANK	12	2,573,799	2,206,192
FIRST BANK OF SAN LUIS OBISPO	15	2,690,000	2,164,250
BAY CITIES NATIONAL BANK	10	2,580,200	2,158,830
CALIFORNIA SECURITY BANK	9	2,496,000	2,107,600
EL SEGUNDO FIRST NATIONAL BANK	7	2,542,088	2,107,025
PACIFIC COMMERCE BANK	16	2,473,687	2,043,217
SOUTHERN NEVADA CDC	6	2,004,000	2,004,000
FIRST WESTERN BANK	3	2,350,000	1,997,500
PACIFIC STATE BANK	7	2,251,438	1,904,443
BANK OF SAN BERNARDINO	7	2,333,000	1,901,448
FIRST HAWAIIAN BANK	16	2,155,600	1,875,110
CHARTER PACIFIC BANK	8	2,221,500	1,846,140
WESTAMERICA BANK	9	2,102,240	1,803,284
FDIC/MISION VIEJO NATL. BANK	7	2,245,100	1,778,254
ARCATA CDC	3	1,747,000	1,747,000
WILSHIRE CENTER BANK	7	2,044,750	1,727,488
WILSHIRE STATE BANK	6	2,110,000	1,719,279
BANK OF SOUTHERN CALIFORNIA	8	2,043,438	1,714,442
MARINERS BANK	5	2,035,600	1,674,410
SAEHAN BANK	5	2,047,000	1,621,600
U.S. BANK OF CALIFORNIA	8	1,991,417	1,603,249
FIRST NATL BANK OF CENTRAL CA	6	1,954,200	1,567,070
CAMARILLO COMMUNITY BANK	4	1,869,370	1,528,746
BANK OF FRESNO	15	1,967,300	1,513,270
VENTURA COUNTY NATIONAL BANK	4	1,696,300	1,446,605
INTERNATIONAL CITY BANK	7	1,903,000	1,432,780
FIRST INTERSTATE BANK, AZ	11	1,660,100	1,425,890
AMERICAN VALLEY BANK	12	1,636,200	1,410,130
HACIENDA NATIONAL BANK	10	1,643,362	1,398,534
REPUBLIC BANK	3	1,635,000	1,353,750
CAL-WEST NATIONAL BANK	15	1,537,000	1,342,468

San Francisco Regional Office

FY 1992 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
SECURITY PACIFIC BANK, ARIZONA	7	1,807,300	1,309,789
NEVADA COMMUNITY BANK	8	1,511,000	1,288,900
SAN BENITO BANK	8	1,487,000	1,277,350
STERLING BANK	3	1,500,000	1,233,000
PHOENIX LOCAL DEVELOPMENT CORP	5	1,230,000	1,230,000
PREMIER BANK	3	1,466,000	1,180,300
RANCHO DOMINGUEZ BANK	7	1,350,000	1,125,000
ESCONDIDO NATIONAL BANK	4	1,342,000	1,122,950
NATIONAL BANK OF LONG BEACH	5	1,310,000	1,108,260
CENTRAL CALIFORNIA CDC	3	1,089,000	1,089,000
FIRST CHARTER BANK	3	1,275,000	1,083,750
SAN DIEGUITO NATIONAL BANK	9	1,275,000	1,083,750
LONG BEACH LOCAL DEVEL CORP	2	1,076,000	1,076,000
LOS ROBLES NATIONAL BANK	6	1,274,977	1,064,979
GREATER SACRAMENTO CDC	3	1,058,000	1,058,000
NATIONAL BANK OF ARIZONA	5	1,373,500	1,039,700
SAN MARCOS NATIONAL BANK	5	1,167,760	1,009,134
COLONIAL BANK	5	1,183,000	1,008,550
NORTH STATE NATIONAL BANK	5	1,201,700	1,002,720
FIRST INTERSTATE BANK, NEVADA	12	1,065,000	904,700
WESTERN BANK	3	1,059,500	900,575
L.A. COUNTY SMALL BUSINESS	4	889,000	889,000
WESTERN SECURITY BANK	9	1,033,000	870,180
SAN JOAQUIN BANK	10	1,035,000	868,950
CLOVIS COMMUNITY BANK	3	1,018,450	866,943
FEATHER RIVER STATE BANK	5	997,000	842,980
CHANNEL ISLANDS NATIONAL BANK	4	996,000	839,050
AMERICAN INDEPENDENT BANK	4	940,250	813,350
WESTERN SIERRA NATIONAL BANK	5	959,965	809,470
EDC OF SHASTA COUNTY	4	795,000	795,000
RIO SALADO BANK	6	916,000	792,400
GOLDEN OAK BANK	5	918,000	780,350
COUNTY BANK OF MERCED	6	913,800	774,105
CITIZENS THRIFT & LOAN ASSOC.	7	816,000	771,950
BANK OF SAN PEDRO	3	931,500	771,590
TRI COUNTIES BANK	4	901,500	766,375
VALENCIA NATIONAL BANK	1	1,068,000	749,992
AMERICAN WEST BANK	1	1,140,000	749,892
SILICON VALLEY BANK	4	1,100,000	749,750
BANK OF AMERICA, AZ	1	1,645,000	738,000
SECURITY PACIFIC BANK, CA	9	774,000	696,600
BANK OF CORONADO	2	795,000	680,750
MERCANTILE BANK	2	757,000	645,700
CLEAR LAKE NATIONAL BANK	2	740,000	629,000
MONUMENT NATIONAL BANK	3	735,000	626,500
OAKLAND CERT. DEVEL CORP	1	620,000	620,000

San Francisco Regional Office

FY 1992 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
COMMUNITY FIRST BANK	3	723,250	606,100
VALLEY MERCHANTS BANK	5	687,750	596,475
CALIBER BANK	4	743,000	594,400
FOOTHILL COMMUNITY BANK	4	666,800	573,210
STANISLAUS COUNTY CDC	2	561,000	561,000
SUN STATE BANK	5	642,000	533,200
TRACY/SAN JOAQUIN CDC	1	537,000	537,000
BANK OF NEWPORT	3	635,000	522,850
STOCKMEN'S BANK	2	625,000	517,500
PIONEER CITIZENS BANK, NEVADA	4	584,901	504,861
BANK OF AGRICULTURE & COMMERCE	1	590,000	501,500
NEVADA STATE BANK	4	577,307	498,211
FDIC/COLUMBIA BANK	2	615,000	496,000
SCOTT VALLEY BANK	1	570,000	484,500
BANK OF THE SIERRA	3	575,000	482,500
COMMERCIAL INDUSTRIAL CDC	3	464,000	464,000
INLAND COMMUNITY BANK	3	528,000	461,350
AMERICAN BANK OF COMMERCE	6	517,600	449,410
AMADOR ECONOMIC DEVEL CORP	2	430,000	430,000
SUN CITY BANK	1	500,000	425,000
OAK VALLEY COMMUNITY BANK	3	469,000	406,100
KINGS RIVER STATE BANK	1	479,000	402,360
GROSSMONT BANK	4	453,000	400,950
CITY BANK	5	580,000	391,500
AMERICAN NATIONAL BANK	4	569,600	380,538
FIRST NATIONAL BANK OF MARTIN	4	415,000	363,250
FARMERS & MERCHANTS BANK	3	412,500	358,375
BANK OF GUAM	4	400,000	356,000
OLYMPIC NATIONAL BANK	2	408,750	354,875
DESERT SUN BANK	2	424,000	354,200
TULARE COUNTY CDC	1	352,000	352,000
SONOMA VALLEY BANK	2	415,000	344,150
CONTINENTAL NATIONAL BANK	2	404,492	340,394
IMPERIAL BANK	1	400,000	340,000
HUMBOLDT BANK	1	388,000	329,800
AMERICAN RIVER BANK	2	364,726	315,017
RTC/DELTA SAVINGS BANK	3	365,000	310,250
BANK OF AMADOR	5	348,700	309,818
FIRST AMERICAN NATIONAL BANK	2	354,000	302,400
ARVIN DEVELOPMENT CORPORATION	2	302,000	302,000
BANK OF PETALUMA	1	350,000	297,500
ANTELOPE VALLEY LOCAL DEV. CO	1	295,000	295,000
CROWN CDC OF KINGS COUNTY	1	261,000	261,000
GUARDIAN STATE BANK	1	300,000	255,000
REPUBLIC NATIONAL BANK	2	287,500	238,000
BANK OF SANTA MARIA	1	288,000	233,280

San Francisco Regional Office
FY 1992 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
FIRST CITIZENS BANK	1	280,000	232,400
BUTTE COUNTY EDC	1	232,000	232,000
WESTSIDE BANK	1	270,000	229,500
BANK OF LOS ANGELES	1	264,000	224,400
FDIC/MISSION VIEJO NATL. BANK	2	275,000	224,000
FIRST VALLEY NATIONAL BANK	1	265,000	219,738
ALAMEDA FIRST NATIONAL BANK	1	250,000	212,500
LOS MEDANOS FUND CDC	1	200,000	200,000
MONARCH BANK	1	235,000	199,750
MINERAL KING NATIONAL BANK	2	231,000	199,350
BANK OF WOODLAND	1	230,000	195,500
CALIFORNIA VALLEY BANK	2	222,000	191,300
REDDING BANK OF COMMERCE	1	220,000	187,000
NORWEST BANK, ARIZONA	2	215,000	183,500
METROPOLITAN NATIONAL BANK	2	200,000	177,500
FIRST CREDIT BANK	1	200,000	170,000
MID VALLEY BANK	1	200,000	170,000
SANTA MONICA BANK	1	160,000	136,000
AMERICAN INTERNATIONAL BANK	1	150,000	135,000
SUMITOMO BANK, CA	1	150,000	135,000
CENTRAL PACIFIC BANK	3	145,000	130,360
SURETY FEDERAL SAVINGS BANK	1	138,000	111,090
FIRST CONTINENTAL BANK	1	123,200	110,880
BANK OF USA	1	117,000	105,300
BANK AUDI (CALIFORNIA)	1	100,000	90,000
EXCHANGE BANK	1	100,000	85,000
FIRST CALIFORNIA BANK	1	97,700	83,045
MOHAVE STATE BANK	1	91,700	82,530
TOKAI BANK OF CALIFORNIA	1	85,000	72,250
PENINSULA BANK OF SAN DIEGO	1	65,000	58,500
CENTRAL COAST NATIONAL BANK	1	50,000	45,000
DAI-ICHI KANGYO BANK, CA	1	50,000	45,000
FOUNDERS NATIONAL BANK OF L.A.	1	50,000	45,000
LIBERTY BANK	1	50,000	45,000
SAN DIEGO FIRST BANK	1	50,000	45,000
TOTALS	4401	1,480,485,359	1,211,106,266

Sacramento Branch Office

FY 1992 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
SACRAMENTO COMMERCIAL BANK	94	27,014,632	22,478,262
TRUCKEE RIVER BANK	61	15,635,687	12,483,150
MONEY STORE INVESTMENT CORP.	30	12,814,173	10,235,800
EDF OF SACRAMENTO	22	7,854,000	7,854,000
BANK OF COMMERCE (AUBURN)	14	5,909,792	4,831,688
TRACY FEDERAL BANK	16	5,655,600	4,592,922
SACRAMENTO FIRST NATIONAL BANK	11	4,426,100	3,557,180
COUNTRY NATIONAL BANK	13	3,114,000	2,583,888
BANK OF LODI	12	3,000,500	2,565,795
HELLER FIRST CAPITAL	9	2,928,400	2,335,820
EAST COUNTY BANK	6	2,603,400	2,216,390
NORTH VALLEY BANK	12	2,573,799	2,206,192
CALIFORNIA STATEWIDE CDC	5	2,006,000	2,006,000
PACIFIC STATE BANK	7	2,251,438	1,904,443
GOVERNMENT FUNDING CALBIDCO	10	2,258,410	1,881,428
FIRST INTERSTATE BANK, CA	7	1,792,500	1,511,375
GREATER SACRAMENTO CDC	3	1,058,000	1,058,000
ZIONS 1ST NATIONAL BANK	3	1,175,500	1,006,488
NORTH STATE NATIONAL BANK	5	1,201,700	1,002,720
BANK OF AMERICA	7	990,000	856,000
FEATHER RIVER STATE BANK	5	987,000	842,980
WESTERN SIERRA NATIONAL BANK	5	959,965	809,470
EDC OF SHASTA COUNTY	4	795,000	795,000
TRI COUNTIES BANK	4	901,500	766,375
PACIFIC VALLEY NATIONAL BANK	2	807,000	685,950
MERCANTILE BANK	2	757,000	645,700
SUISUN VALLEY BANK	2	760,000	622,000
CALIFORNIA BUSINESS BANK	1	734,000	594,840
FOOTHILL COMMUNITY BANK	4	666,800	573,210
TRACY/SAN JOAQUIN CDC	1	537,000	537,000
SCOTT VALLEY BANK	1	570,000	484,500
VALLEY BANK OF NEVADA	3	511,000	442,100
AMADOR ECONOMIC DEVEL CORP	2	430,000	430,000
U.S. BANK OF CALIFORNIA	1	492,000	394,400
STANISLAUS COUNTY CDC	1	362,000	362,000
AMERICAN RIVER BANK	2	364,726	315,017
BANK OF AMADOR	5	348,700	309,618
FARMERS & MERCHANTS BANK	2	292,800	250,375
WELLS FARGO BANK	1	283,500	240,975
BUTTE COUNTY EDC	1	232,000	232,000
WESTSIDE BANK	1	270,000	229,500
CALIFORNIA SECURITY BANK	1	234,500	199,325
BANK OF WOODLAND	1	230,000	195,500

Sacramento Branch Office

FY 1992 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
WESTAMERICA BANK	1	224,000	190,400
REDDING BANK OF COMMERCE	1	220,000	187,000
MID VALLEY BANK	1	200,000	170,000
UNION BANK	1	189,400	160,990
CITIZENS THRIFT & LOAN ASSOC.	1	100,000	90,000
CALIFORNIA VALLEY BANK	1	52,000	46,800
DIRECT	1	40,000	40,000
TOTALS	406	119,816,222	101,009,466

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FY 1992 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
MONEY STORE INVESTMENT CORP.	80	32,984,600	26,317,005
TRUCKEE RIVER BANK	65	22,673,343	18,248,445
COAST COMMERCIAL BANK	68	21,795,875	16,488,300
TRACY FEDERAL BANK	39	22,544,600	15,989,364
HELLER FIRST CAPITAL	47	18,860,330	14,991,378
BAY AREA BUSINESS CDC	28	14,905,000	14,777,500
BANK OF OAKLAND	44	14,099,600	11,867,637
SACRAMENTO COMMERCIAL BANK	58	13,942,250	11,221,970
PACIFIC WESTERN BANK	38	12,794,829	9,956,527
BAY AREA EMPLOYMENT CDC	19	8,598,000	8,598,000
EAST COUNTY BANK	33	9,914,700	8,199,103
BAY BANK OF COMMERCE	46	10,176,855	7,977,519
GOVERNMENT FUNDING CALBIDCO	24	9,672,100	7,840,702
SONOMA NATIONAL BANK	26	9,446,200	7,358,978
CALIFORNIA BUSINESS BANK	23	8,332,100	6,945,310
COMMERCIAL BANK SAN FRANCISCO	21	7,937,185	6,242,345
BANK OF COMMERCE (AUBURN)	21	7,397,816	5,984,144
NATIONAL BANK OF THE REDWOODS	21	6,901,000	5,386,325
LIBERTY NATIONAL BANK	22	6,149,275	5,088,014
CONCORD COMMERCIAL BANK	25	6,043,260	5,025,237
CUPERTINO NATIONAL BANK	23	5,991,450	4,816,865
BURLINGAME BANK	14	4,374,700	3,599,190
BANK OF AMERICA	23	3,353,100	2,900,405
SIX RIVERS NATIONAL BANK	10	3,419,000	2,719,226
SAN JOSE NATIONAL BANK	15	3,819,081	2,673,811
BARBARY COAST NATIONAL BANK	13	2,760,000	2,380,633
CALIFORNIA SECURITY BANK	7	2,088,500	1,761,225
ARCATA EDC	3	1,747,000	1,747,000
SUISUN VALLEY BANK	7	1,909,600	1,635,580
WESTAMERICA BANK	8	1,878,240	1,612,884
U.S. BANK OF CALIFORNIA	7	1,498,417	1,208,849
SACRAMENTO FIRST NATIONAL BANK	4	1,220,000	1,021,560
1ST NAT BANK OF CENTRAL CA	4	995,000	847,500
SILICON VALLEY BANK	4	1,100,000	749,750
MONTEREY COUNTY BANK	1	882,000	749,700
SAN BENITO BANK	3	835,000	713,780
CLEAR LAKE NATIONAL BANK	2	740,000	629,000
OAKLAND CERT. DEVEL CORP	1	620,000	620,000
DIRECT	8	525,000	525,000
WELLS FARGO BANK	3	620,000	518,000
BANK OF AGRICULTURE & COMMERCE	1	590,000	501,500
FIRST INTERSTATE BANK, CA	3	460,000	395,800
CALIFORNIA STATEWIDE CDC	1	367,000	367,000
FIRST NATIONAL BANK OF MARIN	4	415,000	363,280

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San Francisco District Office

FY 1992 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
SOMOMA VALLEY BANK	2	415,000	344,150
HUMBOLDT BANK	1	388,000	319,800
VALLEY BANK OF NEVADA	3	335,000	301,500
UNION BANK	1	353,944	300,852
BANK OF PETALUMA	1	350,000	297,500
CITIZENS THRIFT & LOAN ASSOC.	2	335,000	271,150
ALAMEDA FIRST NATIONAL BANK	1	250,000	212,500
LOS MEDANOS FUND CDC	1	200,000	200,000
METROPOLITAN NATIONAL BANK	2	200,000	177,500
ITT SMALL BUS. FINAN CORP.	1	161,000	136,850
SUMITOMO BANK, CA	1	150,000	135,000
SURETY FEDERAL SAVINGS BANK	1	138,000	111,090
EXCHANGE BANK	1	100,000	85,000
BANK OF INDUSTRY	1	75,000	60,000
BANK OF SALINAS	1	50,000	45,000
TOTALS	937	310,877,950	252,569,203

Fresno District Office

FY 1992 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
REGENCY BANK	30	13,336,000	10,275,772
PACIFIC VALLEY NATIONAL BANK	31	7,683,400	6,502,204
TRACY FEDERAL BANK	16	9,324,500	6,263,445
MONEY STORE INVESTMENT CORP.	20	6,527,024	5,131,094
VISALIA COMMUNITY BANK	14	4,305,000	3,600,804
COMMERCE BANK, SAN LUIS OBISPO	16	3,870,000	3,220,435
MONTEREY COUNTY BANK	17	3,796,300	3,202,000
HELLER FIRST CAPITAL	10	3,536,400	2,834,710
MID STATE DEVELOPMENT CORP	12	2,718,000	2,718,000
MODESTO BANKING COMPANY	8	3,318,595	2,623,423
GOVERNMENT FUNDING CALBIDCO	9	2,956,000	2,471,250
BANK OF AMERICA	10	2,742,000	2,327,500
BANK OF SALINAS	5	3,208,500	2,251,754
FIRST BANK OF SAN LUIS OBISPO	15	2,690,000	2,164,250
1ST NAT BANK OF CENTRAL CA	8	2,354,800	2,012,880
SACRAMENTO COMMERCIAL BANK	7	2,212,000	1,845,100
FIRST NATL BANK OF CENTRAL CA	6	1,954,200	1,567,070
BANK OF FRESNO	15	1,967,300	1,513,270
CUPERTINO NATIONAL BANK	2	2,145,000	1,499,905
COAST COMMERCIAL BANK	4	2,640,000	1,471,700
CENTRAL CALIFORNIA CDC	3	1,089,000	1,089,000
MECHANICS NATIONAL BANK	3	1,350,000	1,055,000
HACIENDA NATIONAL BANK	6	1,220,300	1,026,891
TRUCKEE RIVER BANK	3	1,191,400	963,265
CENTRAL COAST CDC	3	895,000	895,000
FIRST INTERSTATE BANK, CA	2	1,050,000	881,500
SAN JOAQUIN BANK	10	1,035,000	868,950
CLOVIS COMMUNITY BANK	3	1,018,450	866,943
GOLDEN OAK BANK	5	918,000	780,350
COUNTY BANK OF MERCED	6	913,800	774,105
MONUMENT NATIONAL BANK	3	735,000	626,500
PACIFIC WESTERN BANK	2	727,500	618,375
COMMUNITY FIRST BANK	3	723,250	606,100
BANK OF OAKLAND	2	660,000	568,000
SAN BENITO BANK	5	652,000	563,570
BANK OF THE SIERRA	3	575,000	482,500
WELLS FARGO BANK	1	675,000	459,000
HANMI BANK	2	519,500	441,575
OAK VALLEY COMMUNITY BANK	3	469,000	406,100
KINGS RIVER STATE BANK	1	479,000	402,360
TULARE COUNTY CDC	1	352,000	352,000
ITT SMALL BUS. FINAN CORP.	2	395,000	333,750
DIRECT	3	330,000	330,000
ARVIN DEVELOPMENT CORPORATION	2	302,000	302,000
CROWN CDC OF KINGS COUNTY	1	261,000	261,000

Fresno District Office

FY 1992 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
FIRST NATIONAL BANK OF VENTURA	1	261,000	221,850
CALIFORNIA STATEWIDE CDC	1	208,000	208,000
PACIFIC INLAND BANK	1	250,000	200,800
MINERAL KING NATIONAL BANK	2	231,000	199,350
STANISLAUS COUNTY CDC	1	199,000	199,000
CITIZENS THRIFT & LOAN ASSOC.	1	221,000	176,800
CALIFORNIA SECURITY BANK	1	173,000	147,030
CALIFORNIA VALLEY BANK	1	170,000	144,500
WESTERN UNITED NATIONAL BANK	1	128,500	115,650
FARMERS & MERCHANTS BANK	1	120,000	108,000
VALLEY BANK OF NEVADA	1	77,000	69,300
GOLETA NATIONAL BANK	1	55,000	49,500
CENTRAL COAST NATIONAL BANK	1	50,000	45,000
SECURITY PACIFIC BANK, CA	1	50,000	45,000
TOTALS	348	104,014,719	83,382,200

Los Angeles District Office

FY 1992 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
GOVERNMENT FUNDING CALSIDCO	159	63,857,950	51,460,782
MECHANICS NATIONAL BANK	83	28,010,100	22,110,090
AMERICAN PACIFIC STATE BANK	70	27,894,500	21,653,722
BANK OF COMMERCE	58	26,521,450	21,349,035
MONEY STORE INVESTMENT CORP.	38	21,205,000	16,685,675
HANMI BANK	38	14,382,100	11,979,664
GENERAL BANK	34	13,704,090	11,386,170
QUEEN CITY BANK	39	13,938,929	11,110,546
MID CITY BANK	27	13,774,413	10,763,990
LIBERTY NATIONAL BANK	34	12,845,191	10,394,933
CALIFORNIA STATE BANK	31	12,981,000	9,433,972
NATIONAL BANK OF CALIFORNIA	23	11,346,300	9,210,305
FRONTIER BANK	22	10,694,500	8,883,611
CALIFORNIA STATEWIDE CDC	15	8,638,000	8,638,000
GARFIELD BANK	21	9,172,875	7,016,294
INDUSTRIAL BANK	30	8,276,570	6,901,825
CALIFORNIA CENTER BANK	18	7,865,529	6,337,710
WESTERN UNITED NATIONAL BANK	19	6,452,150	5,395,748
GOLETA NATIONAL BANK	27	6,404,006	5,145,550
COAST BANK	17	5,682,500	4,697,898
ANTELOPE VALLEY BANK	18	5,508,054	4,377,671
WESTERN COMMUNITY BANK	8	6,395,530	4,310,674
FIRST INTERNATIONAL BANK	12	4,437,000	3,625,991
FIRST NATIONAL BANK OF VENTURA	15	4,246,800	3,593,605
CAPITAL BANK OF CALIFORNIA	10	3,903,431	3,243,099
BANK OF INDUSTRY	11	4,701,750	3,144,388
PACIFIC INLAND BANK	6	3,666,000	2,303,308
BANK OF SAN DIEGO	5	2,765,560	2,259,248
ELDORADO BANK	5	2,849,120	2,188,001
BAY CITIES NATIONAL BANK	10	2,580,200	2,158,830
TRACY FEDERAL BANK	5	2,831,250	2,110,559
EL SEGUNDO FIRST NATIONAL BANK	7	2,542,088	2,107,025
CHARTER PACIFIC BANK	8	2,221,500	1,846,140
UNION BANK	7	2,173,000	1,840,300
LA HABRA LOCAL DEVEL CO INC	4	1,825,000	1,825,000
BANK OF YORBA LINDA	5	2,123,875	1,805,294
LANDMARK BANK	2	2,213,000	1,733,870
WILSHIRE STATE BANK	6	2,110,000	1,719,279
CAMARILLO COMMUNITY BANK	4	1,869,370	1,528,746
WILSHIRE CENTER BANK	6	1,794,750	1,514,988
VENTURA COUNTY NATIONAL BANK	4	1,696,300	1,446,605
GOLDEN PACIFIC BANK	5	1,671,500	1,421,625
REPUBLIC BANK	3	1,635,000	1,353,750
CENTRAL COAST CDC	5	1,327,000	1,327,000
PREMIER BANK	3	1,466,000	1,180,300

Los Angeles District Office

FY 1992 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SEA SHARE
HUNTINGTON NATIONAL BANK	3	1,428,000	1,174,443
RANCHO DOMINGUEZ BANK	7	1,350,000	1,125,000
FDIC/MISSION VIEJO NATL. BANK	3	1,437,500	1,121,374
BANK OF ANAHEIM	2	1,347,342	1,120,221
NATIONAL BANK OF LONG BEACH	5	1,310,000	1,108,260
LONG BEACH LOCAL DEVEL CORP	2	1,076,000	1,076,000
LOS ROBLES NATIONAL BANK	6	1,274,977	1,064,979
ORANGE NATIONAL BANK	3	1,283,500	1,061,262
NATIONAL BANK OF SOUTHERN CA	1	1,200,000	999,960
FIRST CHARTER BANK	2	1,175,000	998,750
CAL-WEST NATIONAL BANK	10	1,112,000	960,688
WESTERN BANK	3	1,059,500	900,875
L.A. COUNTY SMALL BUSINESS	4	889,000	889,000
SAEHAH BANK	4	1,047,000	871,600
DIRECT	5	870,000	870,000
CHANNEL ISLANDS NATIONAL BANK	4	996,000	839,050
AMERICAN INDEPENDENT BANK	4	940,250	813,350
BANK OF AMERICA	8	904,000	789,000
BANK OF SAN PEDRO	3	931,500	771,590
COLONIAL BANK	4	890,500	759,925
VALENCIA NATIONAL BANK	1	1,068,000	749,992
AMERICAN WEST BANK	1	1,140,000	749,892
MARINERS BANK	1	875,000	700,000
ITT SMALL BUS. FINAN CORP.	5	805,000	696,500
VALLEY BANK OF NEVADA	2	798,800	648,980
INTERNATIONAL CITY BANK	3	747,000	616,180
STERLING BANK	2	600,000	495,000
SUNWEST BANK	1	450,000	382,500
HACIENDA NATIONAL BANK	4	423,062	371,643
OLYMPIC NATIONAL BANK	2	408,750	354,875
BANK OF NEWPORT	2	425,000	352,750
IMPERIAL BANK	1	400,000	340,000
RTC/DELTA SAVINGS BANK	3	365,000	310,250
ANTELOPE VALLEY LOCAL DEV. CO	1	295,000	295,000
BANK OF SANTA MARIA	1	288,000	233,280
BANK OF LOS ANGELES	1	264,000	224,400
FIRST VALLEY NATIONAL BANK	1	265,000	219,738
CITIZENS THRIFT & LOAN ASSOC.	2	150,000	171,000
FIRST CREDIT BANK	1	200,000	170,000
SANTA MONICA BANK	1	160,000	136,000
AMERICAN INTERNATIONAL BANK	1	150,000	135,000
FIRST CONTINENTAL BANK	1	123,200	110,880
BANK BNDY (CALIFORNIA)	1	100,000	00,000
HELLER FIRST CAPITAL	1	100,000	90,000
FDIC/MISSION VIEJO NATL. BANK	1	80,000	68,000

Los Angeles District Office

FY 1992 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
SECURITY PACIFIC BANK, CA	1	70,000	63,000
DAI-ICHI KANGYO BANK, CA	1	50,000	45,000
FIRST AMERICAN CAPITAL BANK	1	50,000	45,000
FOUNDERS NATIONAL BANK OF L.A.	1	50,000	45,000
TOTALS	1105	427,463,112	344,745,903

Santa Ana District Office

FY 1992 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
MONEY STORE INVESTMENT CORP.	50	23,087,000	18,260,725
MECHANICS NATIONAL BANK	58	21,712,570	17,286,734
GOVERNMENT FUNDING CALBIDCO	41	18,533,038	15,023,619
MID CITY BANK	40	17,577,834	14,400,221
LIBERTY NATIONAL BANK	32	14,686,608	12,202,654
ELDERADO BANK	27	12,740,784	10,607,985
BANK OF COMMERCE	33	11,149,020	8,919,216
ORANGE NATIONAL BANK	18	9,842,544	8,185,029
BANK OF YOREA LINDA	19	10,191,200	7,907,360
LANDMARK BANK	11	6,610,267	5,204,449
SUNWEST BANK	12	6,272,800	5,161,120
TRACY FEDERAL BANK	7	7,510,000	4,569,947
SANTA ANA CITY LDC	6	4,302,000	4,302,000
FALLBROOK NATIONAL BANK	10	4,436,473	3,771,002
WESTERN COMMUNITY BANK	12	4,547,800	3,742,570
GOLDEN PACIFIC BANK	18	4,778,500	3,667,995
QUEEN CITY BANK	15	4,670,192	3,572,115
LA HABRA LOCAL DEVEL CO INC	9	3,554,000	2,851,000
BANK OF SAN DIEGO	7	4,216,861	3,416,580
RIVERSIDE COUNTY CDC	7	3,218,000	3,218,000
CALIFORNIA STATE BANK	11	3,899,800	2,809,189
PACIFIC INLAND BANK	7	3,515,640	2,784,794
FIRST AMERICAN CAPITAL BANK	11	3,267,051	2,743,226
SUN COUNTRY BANK	17	3,222,000	2,717,450
FRONTIER BANK	6	3,334,700	2,713,238
NORTH COUNTY BANK	8	3,479,700	2,700,125
CENERAL BANK	5	3,125,000	2,640,000
CAPITAL BANK OF CALIFORNIA	5	3,034,490	2,402,995
WEST VALLEY CDC	5	2,308,000	2,308,000
BANK OF ANAHEIM	4	3,427,000	2,298,586
DESERT COMMUNITY BANK	11	2,557,027	2,150,404
BANK OF SAN BERNARDINO	7	2,333,000	1,801,448
AMERICAN PACIFIC STATE BANK	7	2,598,000	1,828,400
GARFIELD BANK	5	2,177,000	1,751,267
NATIONAL BANK OF SOUTHERN CA	8	2,045,200	1,749,920
HUNTINGTON NATIONAL BANK	5	1,988,868	1,632,288
VALLEY BANK OF NEVADA	6	1,859,500	1,591,575
FIRST INTERNATIONAL BANK	3	1,723,000	1,390,023
NATIONAL BANK OF CALIFORNIA	4	1,730,000	1,384,000
COAST BANK	6	1,528,876	1,298,289
DIRECT	14	1,210,500	1,210,500
MARINERS BANK	4	1,160,600	974,410
HANMI BANK	3	1,020,000	851,037
INDUSTRIAL BANK	2	982,000	823,797

Santa Ana District Office

FY 1992 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER AMOUNT	LOAN SHARE	SBA
INTERNATIONAL CITY BANK	4	1,156,000	816,600
SAEHAN BANK	1	1,000,000	750,000
WESTERN UNITED NATIONAL BANK	1	1,000,000	750,000
ZIONS 1ST NATIONAL BANK	1	1,000,000	750,000
STERLING BANK	1	900,000	738,000
FDIC/MISSION VIEJO NATL. BANK	4	807,600	656,680
BANK OF AMERICA	7	755,300	683,665
CALIFORNIA CENTER BANK	4	751,750	645,575
VALLEY MERCHANTS BANK	5	687,750	596,475
SAN DIEGO TRUST & SAVINGS BANK	1	700,000	595,000
HELLER FIRST CAPITAL	3	620,000	527,765
INLAND COMMUNITY BANK	3	528,000	461,350
ITT SMALL BUS. FINAN CORP.	4	518,000	456,700
BANK OF INDUSTRY	2	515,000	413,500
CAL-WEST NATIONAL BANK	5	425,000	381,780
COLONIAL BANK	1	292,500	248,625
UNION BANK	2	250,000	212,550
WILSHIRE CENTER BANK	1	250,000	212,500
MONARCH BANK	1	235,000	199,750
SECURITY PACIFIC BANK, CA	3	215,000	193,500
BANK OF NEWPORT	1	210,000	170,100
FDIC/MISSION VIEJO NATL. BANK	1	195,000	156,000
FIRST INTERSTATE BANK, CA	1	115,758	104,182
FIRST CHARTER BANK	1	100,000	85,000
TOKAI BANK OF CALIFORNIA	1	85,000	72,250
CITIZENS THRIFT & LOAN ASSOC.	1	70,000	63,000
TOTALS	657	264,546,881	214,537,729

San Diego District Office

FY 1992 LENDING
NUMBER OF LOANS

SBA SHARE	LENDER'S NAME	NUMBER	LOAN AMOUNT
	BANK OF COMMERCE	70	20,690,200
	SAN DIEGO COUNTY CDC	42	17,846,000
	NORTH COUNTY BANK	29	9,229,216
	BANK OF SAN DIEGO	22	10,004,512
	MONEY STORE INVESTMENT CORP.	22	7,289,000
	FIRST INTERNATIONAL BANK	20	6,191,450
	BANK OF AMERICA	16	2,578,700
	CAPITAL BANK OF CARLSBAD	16	4,062,292
	PACIFIC COMMERCE BANK	16	2,473,687
	SAN DIEGO TRUST & SAVINGS BANK	14	6,356,700
	VALLEY INDEPENDENT BANK	13	2,724,538
	AMERICAN VALLEY BANK	12	1,636,200
	CUYAMACA BANK	11	2,856,350
	FALLBROOK NATIONAL BANK	10	2,069,500
	ITT SHALL BUS. FINAN CORP.	10	2,071,000
	SAN DIEGUITO NATIONAL BANK	9	1,275,000
	TRACY FEDERAL BANK	9	5,048,600
	UNION BANK	9	2,245,413
	WELLS FARGO BANK	9	1,601,000
	BANK OF SOUTHERN CALIFORNIA	8	2,043,438
	SAN MARCOS NATIONAL BANK	5	1,167,760
	ESCONDIDO NATIONAL BANK	4	1,342,000
	GOVERNMENT FUNDING CALBIDCO	4	1,857,300
	GROSSMONT BANK	4	453,000
	SECURITY PACIFIC BANK, CA	4	439,000
	COMMERCIAL INDUSTRIAL CDC	3	464,000
	FIRST WESTERN BANK	3	2,350,000
	VALLEY BANK OF NEVADA	3	1,232,500
	BANK OF CORONADO	2	795,000
	QUEEN CITY BANK	2	550,000
	DESERT COMMUNITY BANK	1	486,000
	DIRECT	1	40,000
	FIRST AMERICAN CAPITAL BANK	1	630,000
	FIRST CALIFORNIA BANK	1	97,700
	FIRST INTERSTATE BANK, CA	1	154,000
	LIBERTY NATIONAL BANK	1	450,000
	MID CITY BANK	1	875,000
	PENINSULA BANK OF SAN DIEGO	1	65,000
	SAN DIEGO FIRST BANK	1	50,000
TOTALS		410	123,791,256
			104,372,602

Las Vegas District Office

FY 1992 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
VALLEY BANK OF NEVADA	60	13,688,701	11,390,734
NEVADA STATE CDC	37	10,081,000	10,081,000
NEW VENTURES CDC	23	7,388,200	7,388,200
TRUCKEE RIVER BANK	13	4,367,900	3,501,706
SOUTHERN NEVADA CDC	6	2,004,000	2,004,000
NEVADA COMMUNITY BANK	8	1,511,000	1,288,900
ITT SMALL BUS. FINAN CORP.	8	1,341,000	1,150,290
FIRST INTERSTATE BANK, NEVADA	12	1,065,000	904,700
SUN STATE BANK	5	642,000	553,200
PIONEER CITIZENS BANK, NEVADA	4	584,901	504,861
NEVADA STATE BANK	4	577,307	498,211
AMERICAN BANK OF COMMERCE	6	517,600	449,410
SECURITY PACIFIC BANK, ARIZONA	1	500,000	425,000
CONTINENTAL NATIONAL BANK	2	404,492	340,394
GUARDIAN STATE BANK	1	300,000	255,000
DIRECT	2	215,000	215,000
TOTALS	192	45,188,101	40,950,606

Phoenix District Office

FY 1992 LENDING
NUMBER OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
MONEY STORE INVESTMENT CORP.	50	17,381,700	13,670,160
VALLEY BANK OF NEVADA	25	7,588,378	6,224,205
ITT SMALL BUS. FINAN CORP.	18	6,916,000	5,147,250
TUCSON CDC	16	2,535,000	2,535,000
VALLEY NATIONAL BANK, ARIZONA	16	2,853,000	2,317,305
FOUNDERS BANK OF ARIZONA	15	4,293,500	3,392,640
ZIONS 1ST NATIONAL BANK	13	2,785,000	2,258,810
M & I THUNDERBIRD BANK	12	3,129,000	2,436,400
ARIZONA ENTER. DEVEL CORP	11	3,050,000	3,050,000
FIRST INTERSTATE BANK, AZ	11	1,660,100	1,425,890
ROCKY MOUNTAIN BANK	11	4,346,000	3,518,750
WESTERN SECURITY BANK	9	1,033,000	870,180
RIO SALADO BANK	6	916,000	792,400
SECURITY PACIFIC BANK, ARIZONA	6	1,307,300	884,789
NATIONAL BANK OF ARIZONA	5	1,373,500	1,039,700
PHOENIX LOCAL DEVELOPMENT CORP	5	1,230,000	1,230,000
AMERICAN NATIONAL BANK	4	569,600	380,558
CALIBER BANK	4	743,000	594,400
DESERT SUN BANK	2	424,000	354,200
FDIC/COLUMBIA BANK	2	615,000	496,000
FIRST AMERICAN NATIONAL BANK	2	354,000	302,400
NORWEST BANK, ARIZONA	2	215,000	183,500
REPUBLIC NATIONAL BANK	2	287,500	238,000
STOCKMEN'S BANK	2	625,000	517,500
BANK OF AMERICA, AZ	1	1,845,000	738,000
FIRST CITIZENS BANK	1	280,000	232,400
MOHAVE STATE BANK	1	91,700	82,530
SUN CITY BANK	1	500,000	425,000
TOTALS	253	68,947,278	55,337,967

Honolulu District Office

FY 1992 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
BANK OF HAWAII	43	6,625,240	5,567,822
HEDCO LOCAL DEVEL CORP	12	5,222,000	5,222,000
FIRST HAWAIIAN BANK	16	2,155,600	1,875,110
CITY BANK	5	580,000	391,500
BANK OF GUAM	4	400,000	356,000
DIRECT	5	255,000	255,000
LIBERTY NATIONAL BANK	3	290,000	252,500
CENTRAL PACIFIC BANK	3	145,000	130,360
BANK OF USA	1	117,000	108,300
LIBERTY BANK	1	50,000	45,000
TOTALS	93	15,839,840	14,200,592

EXHIBIT II

U.S. SMALL BUSINESS ADMINISTRATION
REGION IX

LENDER RANKINGS
SIX MONTHS ENDED MARCH 31, 1993
SBA 7a LOAN PROGRAM

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San Francisco Regional Office
1ST & 2ND QUARTER FY93 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
MONEY STORE INVESTMENT CORP.	143	52,812,400	42,142,555
GOVERNMENT FUNDING CALBIDCO	84	30,803,935	25,646,009
SACRAMENTO COMMERCIAL BANK	67	22,012,450	18,360,340
BANK OF COMMERCE	58	19,859,090	15,904,480
HELLER FIRST CAPITAL	51	19,148,350	15,359,731
TRUCKEE RIVER BANK	53	18,670,050	14,643,276
TRACY FEDERAL BANK	39	18,639,990	14,249,422
MID CITY BANK	33	14,416,387	11,625,493
COAST COMMERCIAL BANK	40	14,680,750	11,086,100
BANK OF OAKLAND	33	10,752,150	8,925,714
LIBERTY NATIONAL BANK	23	10,163,675	8,395,675
SAN DIEGO COUNTY CDC	25	8,187,000	8,187,000
VALLEY BANK OF NEVADA	33	8,516,589	7,088,573
NORTH COUNTY BANK	31	8,257,150	6,689,038
BANK OF SAN DIEGO	16	8,864,081	6,635,092
NATIONAL BANK OF THE REDWOODS	27	8,185,541	6,302,911
HANMI BANK	16	7,218,000	6,051,359
EDF OF SACRAMENTO	13	5,862,000	5,862,000
ELDORADO BANK	16	6,828,150	5,759,838
BAY AREA BUSINESS CDC	10	5,759,500	5,734,000
BAY AREA EMPLOYMENT CDC	8	5,348,000	5,348,000
MECHANICS NATIONAL BANK	14	6,666,500	5,284,943
QUEEN CITY BANK	29	6,154,463	5,164,473
CALIFORNIA CENTER BANK	13	5,868,700	4,898,119
ORANGE NATIONAL BANK	12	5,928,023	4,879,680
PACIFIC WESTERN BANK	16	6,355,250	4,867,700
FALLBROOK NATIONAL BANK	17	5,867,742	4,746,094
FIRST NATL BANK OF CENTRAL CA	13	5,674,500	4,588,525
CALIFORNIA STATEWIDE CDC	8	4,562,000	4,562,000
AMERICAN PACIFIC STATE BANK	18	5,499,350	4,399,480
NEVADA STATE CDC	15	4,340,000	4,340,000
REGENCY BANK	16	5,342,700	4,261,186
HEDCO LOCAL DEVEL CORP	9	4,179,000	4,179,000
BANK OF AMERICA	29	4,878,562	4,168,529
WILSHIRE STATE BANK	16	4,808,000	4,039,474
CAPITAL BANK OF CALIFORNIA	12	4,903,500	3,999,175
GARFIELD BANK	10	4,966,000	3,906,252
FIRST INTERNATIONAL BANK	17	4,618,247	3,877,824
BANK OF COMMERCE (AUBURN)	15	4,735,018	3,866,798
UNION BANK	16	4,537,249	3,819,164
SONOMA NATIONAL BANK	14	4,621,925	3,749,096
VENTURA COUNTY NATIONAL BANK	9	4,225,000	3,516,900
BAY BANK OF COMMERCE	21	4,368,400	3,399,959
NEW VENTURES CDC	11	3,332,000	3,332,000
GOLETA NATIONAL BANK	17	4,237,051	3,313,928
PACIFIC NATIONAL BANK	7	3,984,765	3,178,670
NATIONAL BANK OF CALIFORNIA	10	3,987,500	3,177,375

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San Francisco Regional Office
1ST & 2ND QUARTER FY93 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	S
CUPERTINO NATIONAL BANK	18	3,647,700	3,122
CALIFORNIA STATE BANK	14	3,946,000	3,114
BANK OF HAWAII	16	4,273,602	3,096
SACRAMENTO FIRST NATIONAL BANK	15	3,546,700	3,026
FIRST NATIONAL BANK OF VENTURA	12	3,527,880	2,997
WESTERN COMMUNITY BANK	9	3,578,020	2,948
ITT SMALL BUS. FINAN CORP.	15	3,531,500	2,890
CALIFORNIA BUSINESS BANK	11	3,362,200	2,834
GOLDEN PACIFIC BANK	7	3,582,997	2,721
GENERAL BANK	7	3,202,000	2,640
BANK OF YORBA LINDA	7	3,228,870	2,521
M & I THUNDERBIRD BANK	9	3,158,661	2,451
PACIFIC VALLEY NATIONAL BANK	10	2,714,500	2,326
EAST COUNTY BANK N.A.	15	2,683,000	2,309
SOUTHERN NEVADA CDC	7	2,296,000	2,296
VALLEY NATIONAL BANK, ARIZONA	15	2,783,200	2,283
CITIZENS THRIFT & LOAN ASSOC.	5	2,748,000	2,276
WESTERN UNITED NATIONAL BANK	10	2,658,569	2,241
REPUBLIC BANK	8	2,703,250	2,192
SAN JOSE NATIONAL BANK	12	2,676,599	2,152
ESCONDIDO NATIONAL BANK	7	2,799,000	2,141
ARIZONA ENTER. DEVEL CORP	8	2,128,000	2,128
UNITED CITIZENS NATIONAL BANK	10	2,652,000	2,105
INTERNATIONAL CITY BANK	6	2,418,181	2,010
ANTELOPE VALLEY BANK	11	2,310,000	1,940
MONTEREY COUNTY BANK	6	2,568,040	1,920
STERLING BANK	4	2,290,000	1,902
CAPITAL BANK OF CARLSBAD	4	2,382,950	1,891
REPUBLIC NATIONAL BANK	4	2,357,000	1,889
COMMERCE BANK, SAN LUIS OBISPO	8	2,192,000	1,846
BURLINGAME BANK	10	2,113,500	1,812
FIRST INTERSTATE BANK, CA	4	2,108,025	1,776
FIRST CHARTER BANK N.A.	5	2,095,000	1,760
CONCORD COMMERCIAL BANK	8	2,001,500	1,686
PHOENIX LOCAL DEVELOPMENT CORP	5	1,670,000	1,670
PACIFIC INLAND BANK	7	1,996,000	1,667
WESTERN BANK	3	1,852,353	1,554
COMMERCIAL BANK SAN FRANCISCO	6	1,948,500	1,543
WEST VALLEY CDC	3	1,488,000	1,488
TUCSON CDC	8	1,472,000	1,472
LA HABRA LOCAL DEVEL CO INC	5	1,448,000	1,448
SIMI VALLEY BANK	5	1,747,000	1,430
FOUNDERS BANK OF ARIZONA	7	1,699,300	1,420
AMERICAN WEST BANK	5	1,660,000	1,410
TULARE COUNTY CDC	3	1,355,000	1,355
VALLEY INDEPENDENT BANK	14	1,598,050	1,351
LOS ROBLES NATIONAL BANK	7	1,615,000	1,347

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San Francisco Regional Office
1ST & 2ND QUARTER FY93 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
WESTAMERICA BANK	6	1,670,000	1,346,490
INDUSTRIAL BANK	6	1,590,000	1,312,500
NEVADA COMMUNITY BANK	6	1,490,750	1,285,888
FIRST AMERICAN CAPITAL BANK	3	1,561,000	1,271,283
BANK OF WHITTIER N.A.	4	1,515,000	1,267,500
MERCANTILE BANK	5	1,542,000	1,265,350
VISALIA COMMUNITY BANK	4	1,540,000	1,230,025
NATIONAL BANK OF SOUTHERN CA	4	1,512,000	1,214,897
DIRECT	15	1,210,732	1,210,732
SAEHAN BANK	4	1,425,000	1,206,250
FOOTHILL INDEPENDENT BANK	4	1,430,000	1,195,000
FIRST INTERSTATE BANK, NEVADA	17	1,389,900	1,181,820
FIRST INTERSTATE BANK, ARIZONA	6	1,529,194	1,150,951
SAN JOAQUIN BANK	11	1,450,000	1,150,050
FIRST WESTERN BANK	6	1,301,500	1,120,800
HACIENDA NATIONAL BANK	3	1,355,000	1,095,680
FIRST HAWAIIAN BANK	12	1,195,000	1,031,150
CALIFORNIA SECURITY BANK	5	1,197,000	1,027,650
FIRST LOS ANGELES BANK	2	1,325,000	1,026,250
FIRST BANK OF SAN LUIS OBISPO	9	1,231,500	1,001,000
SANTA ANA CITY LDC	2	992,000	992,000
SUN COUNTRY BANK	5	1,263,500	982,420
KIRKWOOD BANK & TRUST COMPANY	2	1,230,000	978,300
MODESTO BANKING COMPANY	4	1,148,000	975,800
FIRST CALIFORNIA BANK	4	1,102,675	931,760
BANK OF SALINAS	4	1,100,000	929,750
MID STATE DEVELOPMENT CORP	2	906,000	906,000
TRI COUNTIES BANK	3	1,043,889	895,556
SAN DIEGUITO NATIONAL BANK	7	1,095,046	886,909
COLONIAL BANK N.A.	4	1,042,000	881,100
LOS MEDANOS FUND CDC	1	870,000	870,000
WELLS FARGO BANK	4	1,010,900	866,810
WESTERN SIERRA NATIONAL BANK	5	969,000	839,400
FIRST CITIZENS BANK	3	990,000	814,500
BANK OF THE SIERRA	4	940,000	813,400
CITIZENS COMMERCIAL BANK	5	941,500	813,350
VALLE DE ORO BANK	2	960,000	798,500
CYPRESS COAST BANK	2	966,000	788,600
CITY NATIONAL BANK	5	903,000	787,700
NATIONAL BANK OF LONG BEACH	2	913,500	773,087
ARVIN DEVELOPMENT CORPORATION	2	762,000	762,000
VALLEY MERCHANTS BANK	4	885,000	757,250
BANK OF LAKE COUNTY N.A.	1	1,738,000	749,947
CAL-WEST NATIONAL BANK	1	1,341,000	749,887
IMPERIAL BANK	1	936,000	748,800
HUNTINGTON NATIONAL BANK	2	880,800	748,680
COUNTRY NATIONAL BANK	5	850,000	736,605

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San Francisco Regional Office
1ST & 2ND QUARTER FY93 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
OAK VALLEY COMMUNITY BANK	2	880,000	722,500
SIX RIVERS NATIONAL BANK	5	831,900	712,895
MONUMENT NATIONAL BANK	1	833,600	708,560
PACIFIC COMMERCE BANK	9	789,600	690,890
MARINERS BANK	3	819,200	690,320
BANK OF SAN BERNARDINO	5	818,000	679,450
SUISUN VALLEY BANK	4	788,000	675,300
GRAND NATIONAL BANK	2	790,000	671,500
LANDMARK BANK	4	781,500	670,925
MINERAL KING NATIONAL BANK	2	1,055,000	661,850
ROCKY MOUNTAIN BANK	3	795,000	658,200
DANA NIGUEL BANK	1	752,000	639,200
PRIMERIT BANK	1	750,000	637,500
ZIONS FIRST NATIONAL BANK	2	791,000	632,800
AMERICAN INTERNATIONAL BANK	1	750,000	622,500
RANCHO DOMINGUEZ BANK	5	725,000	613,500
NOVATO NATIONAL BANK	4	710,000	608,250
TRACY/SAN JOAQUIN CDC	1	600,000	600,000
AMERICAN BANK OF COMMERCE	4	713,500	599,950
RIO SALADO BANK	4	827,000	597,640
FARMERS & MERCHANTS BANK	3	655,000	564,500
BANK OF CORONADO	7	647,950	551,530
BANK OF SAN PEDRO	2	634,000	538,900
NEVADA STATE BANK	2	615,000	530,250
ARCATA EDC	1	528,000	528,000
LONG BEACH AREA CDC	3	528,000	528,000
BANK OF LOS ANGELES	2	640,000	524,500
HARRIS TRUST BANK OF ARIZONA	1	600,000	510,000
MID VALLEY BANK	3	578,000	502,700
BANK OF LODI	2	584,000	492,280
RIVERSIDE COUNTY CDC	1	486,000	486,000
SAFE-BIDCO	1	560,000	459,200
BUTTE COUNTY EDC	1	455,000	455,000
FRONTIER BANK	1	504,000	428,400
HOME BANK	1	936,000	426,816
SUMITOMO BANK OF CALIFORNIA	2	499,000	423,250
SAN MARCOS NATIONAL BANK	2	476,500	403,225
THE BANK OF RANCHO BERNARDO	1	502,000	401,600
WEST AMERICAL BANK	1	490,000	399,350
SUNWEST BANK	2	450,000	390,000
SUN STATE BANK	2	450,000	387,500
CHANNEL ISLANDS NATIONAL BANK	1	450,000	382,500
SOUTH VALLEY NATIONAL BANK	1	442,500	376,125
ZIONS 1ST NATIONAL BANK	3	435,000	372,250
CENTRAL CALIFORNIA CDC	1	372,000	372,000
WESTERN SECURITY BANK	3	445,750	367,100
SAN DIEGO TRUST & SAVINGS BANK	3	417,000	366,950

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San Francisco Regional Office
1ST & 2ND QUARTER FY93 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
CITY BANK	3	405,000	322,424
SAN BENITO BANK	2	383,600	322,140
BANK OF FRESNO	2	363,000	309,462
NORTH STATE NATIONAL BANK	1	360,000	306,000
STANISLAUS COUNTY CDC	1	306,000	306,000
BAY CITIES NATIONAL BANK	1	350,000	297,500
PIONEER CITIZENS BANK, NEVADA	1	350,000	297,500
BANK OF SOUTHERN CALIFORNIA	2	343,000	291,550
SAN DIEGO FIRST BANK	2	295,000	255,500
CENTRAL COAST CDC	1	249,000	249,000
SOUTHERN ARIZONA BANK	1	283,500	240,975
FOUNTAIN BANK	2	283,450	237,105
METROPOLITAN NATIONAL BANK	3	260,000	234,000
AMERICAN RIVER BANK	3	259,000	228,500
PALOS VERDES NATIONAL BANK	1	275,000	227,508
GOLDEN OAK BANK	2	260,000	226,000
GREATER SACRAMENTO CDC	1	225,000	225,000
EL SEGUNDO FIRST NATIONAL BANK	1	275,000	220,000
COMMERCIAL INDUSTRIAL CDC	1	217,475	217,475
BANK OF WALNUT CREEK	1	255,000	216,750
BUTTE COMMUNITY BANK	1	250,000	212,500
CHARTER PACIFIC BANK	1	250,000	212,500
FIRST NATL BANK OF DALY CITY	1	250,000	211,500
CUYAMACA BANK	2	240,000	206,000
INLAND COMMUNITY BANK	2	250,000	203,808
FOOTHILL COMMUNITY BANK	2	236,000	200,600
COMMERCIAL BANK OF CALIFORNIA	2	196,000	176,400
FEATHER RIVER STATE BANK	2	189,000	170,100
AMERICAN INDEPENDENT BANK	1	200,000	170,000
AMADOR ECONOMIC DEVEL CORP	1	150,000	150,000
HAWAII NATIONAL BANK	1	175,000	142,975
BANK OF ANAHEIM	1	145,590	131,031
LA JOLLA BANK	1	160,000	129,600
WILSHIRE CENTER BANK N.A.	1	160,000	128,016
ALLIANCE BANK	1	150,000	127,500
BILTMORE INVESTMENT BANK	1	130,000	117,000
BANCO POPULAR DE PUERTO RICO	2	130,000	116,248
FIRST CONTINENTAL BANK	1	125,000	112,500
SECURITY PACIFIC NATIONAL BANK	1	127,000	101,600
SANTA LUCIA NATIONAL BANK	1	103,500	93,150
CROWN CDC OF KINGS COUNTY	1	90,000	90,000
REDDING BANK OF COMMERCE	1	100,000	90,000
BANK OF NEWPORT	1	96,400	86,760
BANK OF HONOLULU	1	100,000	86,000
DE ANZA NATIONAL BANK	1	90,000	81,000
U.S. BANK OF CALIFORNIA	1	93,000	76,260
BANK OF SCOTTSDALE	2	82,000	73,800

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San Francisco Regional Office
1ST & 2ND QUARTER FY93 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
NORTH VALLEY BANK	1	84,500	73,515
FOUNDERS NATIONAL BANK OF L.A.	2	80,000	72,000
COMMUNITY BANK OF ARIZONA	1	85,000	70,550
PACIFIC STATE BANK	1	75,000	67,500
CENTRAL PACIFIC BANK	1	65,000	58,500
BANK OF WOODLAND	1	67,000	53,600
CITIZENS NATIONAL BANK	1	50,000	45,000
COUNTY BANK OF MERCED	1	40,600	36,540
SAVINGS BANK OF MENDOCINO CO.	1	36,000	32,400
BANK OF STOCKTON	1	30,000	27,000
BANK OF GUAM	1	25,000	22,500
TOTALS	2012	648,766,331	537,044,437

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San Francisco District Office
1ST & 2ND QUARTER FY93 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
MONEY STORE INVESTMENT CORP.	36	13,309,600	10,614,000
HELLER FIRST CAPITAL	31	13,163,900	10,363,418
COAST COMMERCIAL BANK	38	13,330,750	10,138,600
SACRAMENTO COMMERCIAL BANK	37	11,675,250	9,769,075
BANK OF OAKLAND	33	10,752,150	8,925,714
TRACY FEDERAL BANK	18	9,076,360	7,357,116
TRUCKEE RIVER BANK	22	9,288,950	7,295,895
NATIONAL BANK OF THE REDWOODS	27	8,185,541	6,302,911
BAY AREA BUSINESS CDC	10	5,759,500	5,734,000
BAY AREA EMPLOYMENT CDC	8	5,348,000	5,348,000
PACIFIC WESTERN BANK	15	6,255,250	4,777,700
SONOMA NATIONAL BANK	14	4,621,925	3,749,096
BAY BANK OF COMMERCE	21	4,368,400	3,399,959
GOVERNMENT FUNDING CALBIDCO	11	4,037,500	3,399,332
CUPERTINO NATIONAL BANK	18	3,647,700	3,122,643
CALIFORNIA BUSINESS BANK	10	3,235,700	2,724,953
BANK OF COMMERCE (AUBURN)	7	2,831,118	2,285,394
SAN JOSE NATIONAL BANK	12	2,676,599	2,152,509
BURLINGAME BANK	10	2,113,500	1,812,530
CONCORD COMMERCIAL BANK	8	2,001,500	1,686,755
EAST COUNTY BANK N.A.	12	1,845,000	1,591,390
COMMERCIAL BANK SAN FRANCISCO	6	1,948,500	1,543,160
FIRST NATL BANK OF CENTRAL CA	5	1,710,000	1,419,700
WESTAMERICA BANK	6	1,670,000	1,346,490
CALIFORNIA SECURITY BANK	5	1,197,000	1,027,650
BANK OF AMERICA	10	1,082,000	1,020,900
CALIFORNIA STATEWIDE CDC	1	1,000,000	1,000,000
LOS MEDANOS FUND CDC	1	870,000	870,000
BANK OF LAKE COUNTY N.A.	1	1,738,000	749,947
SACRAMENTO FIRST NATIONAL BANK	2	869,700	745,145
SIX RIVERS NATIONAL BANK	5	831,900	712,895
SUISUN VALLEY BANK	4	788,000	675,300
NOVATO NATIONAL BANK	4	710,000	608,250
WELLS FARGO BANK	2	660,000	564,000
LIBERTY NATIONAL BANK	1	623,000	529,550
ARCATA EDC	1	528,000	528,000
DIRECT	5	510,732	510,732
SAFE-BIDCO	1	560,000	459,200
WEST AMERICAL BANK	1	490,000	399,350
SOUTH VALLEY NATIONAL BANK	1	442,500	376,125
SAN BENITO BANK	1	330,000	273,900
METROPOLITAN NATIONAL BANK	3	260,000	234,000
FIRST NATL BANK OF DALY CITY	1	250,000	211,500
SUMITOMO BANK OF CALIFORNIA	1	225,000	190,350
ITT SMALL BUS. FINAN CORP.	1	195,000	165,750
U.S. BANK OF CALIFORNIA	1	93,000	76,260
SAVINGS BANK OF MENDOCINO CO.	1	36,000	32,400

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San Francisco District Office
1ST & 2ND QUARTER FY93 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
TOTALS	469	157,142,525	128,821,544

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Los Angeles District Office
1ST & 2ND QUARTER FY93 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
GOVERNMENT FUNDING CALBIDCO	45	16,822,135	13,934,567
BANK OF COMMERCE	24	9,147,800	7,380,440
MONEY STORE INVESTMENT CORP.	20	7,407,000	5,929,600
HANMI BANK	14	6,503,000	5,443,609
CALIFORNIA CENTER BANK	13	5,868,700	4,898,119
MID CITY BANK	14	5,944,124	4,845,322
AMERICAN PACIFIC STATE BANK	17	5,299,350	4,239,480
WILSHIRE STATE BANK	14	4,273,000	3,610,164
VENTURA COUNTY NATIONAL BANK	9	4,225,000	3,516,900
QUEEN CITY BANK	21	4,075,500	3,438,800
MECHANICS NATIONAL BANK	10	4,216,500	3,296,193
CAPITAL BANK OF CALIFORNIA	10	3,793,500	3,113,245
CALIFORNIA STATE BANK	13	3,563,000	2,808,347
GOLETA NATIONAL BANK	15	3,597,051	2,789,176
FIRST NATIONAL BANK OF VENTURA	11	3,137,880	2,665,901
LIBERTY NATIONAL BANK	7	3,036,875	2,525,080
PACIFIC NATIONAL BANK	6	3,049,765	2,428,800
CALIFORNIA STATEWIDE CDC	5	2,265,000	2,265,000
REPUBLIC BANK	8	2,703,250	2,192,863
NATIONAL BANK OF CALIFORNIA	8	2,717,500	2,161,375
WESTERN UNITED NATIONAL BANK	9	2,257,569	1,901,105
UNITED CITIZENS NATIONAL BANK	8	2,397,000	1,886,097
ANTELOPE VALLEY BANK	10	2,195,000	1,836,628
FIRST CHARTER BANK N.A.	5	2,095,000	1,760,350
WESTERN BANK	3	1,852,353	1,554,500
SIMI VALLEY BANK	5	1,747,000	1,430,697
INTERNATIONAL CITY BANK	4	1,712,000	1,414,157
AMERICAN WEST BANK	5	1,660,000	1,410,050
GENERAL BANK	5	1,672,000	1,375,075
LOS ROBLES NATIONAL BANK	7	1,615,000	1,347,500
GARFIELD BANK	5	1,585,000	1,339,925
INDUSTRIAL BANK	6	1,590,000	1,312,500
STERLING BANK	3	1,415,000	1,158,329
UNION BANK	4	1,347,449	1,133,404
HACIENDA NATIONAL BANK	3	1,355,000	1,095,680
SAEHAN BANK	3	1,190,000	1,006,500
FIRST AMERICAN CAPITAL BANK	2	1,211,000	973,783
CITIZENS THRIFT & LOAN ASSOC.	3	1,178,000	942,400
PACIFIC INLAND BANK	2	1,012,000	814,798
FIRST CITIZENS BANK	3	990,000	814,500
CITIZENS COMMERCIAL BANK	5	941,500	813,350
NATIONAL BANK OF LONG BEACH	2	913,500	773,087
IMPERIAL BANK	1	936,000	748,800
GRAND NATIONAL BANK	2	790,000	671,500
WESTERN COMMUNITY BANK	3	770,520	637,771
AMERICAN INTERNATIONAL BANK	1	750,000	622,500
RANCHO DOMINGUEZ BANK	5	725,000	613,500

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Los Angeles District Office
1ST & 2ND QUARTER FY93 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
BANK OF SAN DIEGO	1	701,250	596,063
BANK OF YORBA LINDA	3	697,870	582,496
CITY NATIONAL BANK	3	673,000	580,700
TRACY FEDERAL BANK	1	680,000	578,000
LA HABRA LOCAL DEVEL CO INC	2	540,000	540,000
BANK OF SAN PEDRO	2	634,000	538,900
LONG BEACH AREA CDC	3	528,000	528,000
BANK OF LOS ANGELES	2	640,000	524,500
FRONTIER BANK	1	504,000	428,400
ITT SMALL BUS. FINAN CORP.	2	500,000	408,800
HELLER FIRST CAPITAL	1	463,250	393,763
BANK OF AMERICA	5	365,000	328,500
BAY CITIES NATIONAL BANK	1	350,000	297,500
BANK OF WHITTIER N.A.	2	325,000	282,000
FIRST LOS ANGELES BANK	1	325,000	276,250
CENTRAL COAST CDC	1	249,000	249,000
SUMITOMO BANK OF CALIFORNIA	1	274,000	232,900
PALOS VERDES NATIONAL BANK	1	275,000	227,508
BANK OF WALNUT CREEK	1	255,000	216,750
CHARTER PACIFIC BANK	1	250,000	212,500
HUNTINGTON NATIONAL BANK	1	250,000	212,500
ELDORADO BANK	1	240,000	204,000
DIRECT	2	180,000	180,000
AMERICAN INDEPENDENT BANK	1	200,000	170,000
COLONIAL BANK N.A.	1	200,000	165,400
ORANGE NATIONAL BANK	1	180,300	153,255
WILSHIRE CENTER BANK N.A.	1	160,000	128,016
ALLIANCE BANK	1	150,000	127,500
BANCO POPULAR DE PUERTO RICO	2	130,000	116,248
FIRST CONTINENTAL BANK	1	125,000	112,500
NATIONAL BANK OF SOUTHERN CA	1	110,000	93,500
FOOTHILL INDEPENDENT BANK	1	100,000	90,000
BANK OF NEWPORT	1	96,400	86,760
GOLDEN PACIFIC BANK	1	84,333	75,900
FOUNDERS NATIONAL BANK OF L.A.	2	80,000	72,000
COMMERCIAL BANK OF CALIFORNIA	1	60,000	54,000
TOTALS	452	151,124,224	124,935,576

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Santa Ana District Office
1ST & 2ND QUARTER FY93 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
MONEY STORE INVESTMENT CORP.	24	9,694,900	7,731,750
MID CITY BANK	19	8,472,263	6,780,171
ELDORADO BANK	15	6,588,150	5,555,838
LIBERTY NATIONAL BANK	15	6,503,800	5,341,045
GOVERNMENT FUNDING CALBIDCO	15	5,766,300	4,783,340
ORANGE NATIONAL BANK	10	5,615,723	4,620,825
BANK OF COMMERCE	10	3,886,500	3,143,788
GOLDEN PACIFIC BANK	6	3,498,664	2,645,218
NORTH COUNTY BANK	8	3,136,200	2,627,970
WESTERN COMMUNITY BANK	6	2,807,500	2,310,234
MECHANICS NATIONAL BANK	4	2,450,000	1,988,750
BANK OF YORBA LINDA	4	2,531,000	1,938,850
GARFIELD BANK	4	2,481,000	1,816,330
FIRST INTERSTATE BANK, CA	3	1,841,625	1,550,113
WEST VALLEY CDC	3	1,488,000	1,488,000
QUEEN CITY BANK	5	1,663,263	1,359,628
CITIZENS THRIFT & LOAN ASSOC.	2	1,570,000	1,334,500
TRACY FEDERAL BANK	3	1,649,000	1,286,301
GENERAL BANK	2	1,530,000	1,265,500
BANK OF AMERICA	5	1,533,500	1,244,950
NATIONAL BANK OF SOUTHERN CA	3	1,402,000	1,121,397
FOOTHILL INDEPENDENT BANK	3	1,330,000	1,105,000
NATIONAL BANK OF CALIFORNIA	2	1,270,000	1,016,000
SANTA ANA CITY LDC	2	992,000	992,000
BANK OF WHITTIER N.A.	2	1,190,000	985,500
SUN COUNTRY BANK	5	1,263,500	982,420
BANK OF SAN DIEGO	2	1,511,000	971,850
LA HABRA LOCAL DEVEL CO INC	3	908,000	908,000
PACIFIC INLAND BANK	5	984,000	852,650
VALLEY MERCHANTS BANK	4	885,000	757,250
FIRST LOS ANGELES BANK	1	1,000,000	750,000
CAPITAL BANK OF CALIFORNIA	1	950,000	749,930
CAL-WEST NATIONAL BANK	1	1,341,000	749,887
PACIFIC NATIONAL BANK	1	935,000	749,870
STERLING BANK	1	875,000	743,750
COLONIAL BANK N.A.	3	842,000	715,700
MARINERS BANK	3	819,200	690,320
BANK OF SAN BERNARDINO	5	818,000	679,450
LANDMARK BANK	4	781,500	670,925
DANA NIGUEL BANK	1	752,000	639,200
HANMI BANK	2	715,000	607,750
INTERNATIONAL CITY BANK	2	706,181	596,630
HELLER FIRST CAPITAL	2	655,000	556,750
HUNTINGTON NATIONAL BANK	1	630,800	536,180
RIVERSIDE COUNTY CDC	1	486,000	486,000
WILSHIRE STATE BANK	2	535,000	429,310
HOME BANK	1	936,000	426,816

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Santa Ana District Office
1ST & 2ND QUARTER FY93 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
THE BANK OF RANCHO BERNARDO	1	502,000	401,600
SUNWEST BANK	2	450,000	390,000
FALLBROOK NATIONAL BANK	2	450,000	382,500
WESTERN UNITED NATIONAL BANK	1	401,000	340,850
CALIFORNIA STATE BANK	1	383,000	306,400
FIRST AMERICAN CAPITAL BANK	1	350,000	297,500
EL SEGUNDO FIRST NATIONAL BANK	1	275,000	220,000
CITY NATIONAL BANK	2	230,000	207,000
INLAND COMMUNITY BANK	2	250,000	203,800
SAEHAN BANK	1	235,000	199,750
AMERICAN PACIFIC STATE BANK	1	200,000	160,000
UNITED CITIZENS NATIONAL BANK	1	155,000	139,500
BANK OF ANAHEIM	1	145,590	131,031
COMMERCIAL BANK OF CALIFORNIA	1	136,000	122,400
ANTELOPE VALLEY BANK	1	115,000	103,500
DIRECT	2	90,000	90,000
DE ANZA NATIONAL BANK	1	90,000	81,000
TOTALS	248	104,678,159	85,060,475

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Sacramento Branch Office
1ST & 2ND QUARTER FY93 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
SACRAMENTO COMMERCIAL BANK	29	10,077,200	8,370,265
EDF OF SACRAMENTO	13	5,862,000	5,862,000
TRUCKEE RIVER BANK	21	6,624,500	5,031,626
MONEY STORE INVESTMENT CORP.	11	3,442,700	2,775,095
SACRAMENTO FIRST NATIONAL BANK	12	2,517,000	2,144,970
BANK OF COMMERCE (AUBURN)	8	1,903,900	1,581,403
GOVERNMENT FUNDING CALBIDCO	3	1,715,000	1,442,720
HELLER FIRST CAPITAL	8	1,633,700	1,306,960
MERCANTILE BANK	5	1,542,000	1,265,350
BANK OF AMERICA	6	1,463,062	1,208,679
TRI COUNTIES BANK	5	1,043,889	895,556
WESTERN SIERRA NATIONAL BANK	5	969,000	839,400
COUNTRY NATIONAL BANK	5	850,000	736,605
EAST COUNTY BANK N.A.	3	838,000	718,300
TRACY FEDERAL BANK	4	815,230	697,696
CALIFORNIA STATEWIDE CDC	1	626,000	626,000
PACIFIC VALLEY NATIONAL BANK	2	709,500	603,075
TRACY/SAN JOAQUIN CDC	1	600,000	600,000
FARMERS & MERCHANTS BANK	3	655,000	564,500
MID VALLEY BANK	3	578,000	502,700
BANK OF LODI	2	584,000	492,280
BUTTE COUNTY EDC	1	455,000	455,000
NORTH STATE NATIONAL BANK	1	360,000	306,000
AMERICAN RIVER BANK	3	259,000	228,500
FIRST INTERSTATE BANK, CA	1	266,400	226,440
GREATER SACRAMENTO CDC	1	225,000	225,000
BUTTE COMMUNITY BANK	1	250,000	212,500
UNION BANK	1	250,000	212,500
FOOTHILL COMMUNITY BANK	2	236,000	200,600
FEATHER RIVER STATE BANK	2	189,000	170,100
AMADOR ECONOMIC DEVEL CORP	1	150,000	150,000
REDDING BANK OF COMMERCE	1	100,000	90,000
NORTH VALLEY BANK	1	84,500	73,515
PACIFIC STATE BANK	1	75,000	67,500
ZIONS 1ST NATIONAL BANK	1	70,000	59,500
BANK OF WOODLAND	1	67,000	53,600
BANK OF STOCKTON	1	30,000	27,000
TOTALS	170	48,116,581	41,022,935

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Fresno District Office
1ST & 2ND QUARTER FY93 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
REGENCY BANK	16	5,342,700	4,261,186
MONEY STORE INVESTMENT CORP.	12	4,850,700	3,780,560
TRACY FEDERAL BANK	8	5,428,400	3,540,308
FIRST NATL BANK OF CENTRAL CA	8	3,964,500	3,168,825
HELLER FIRST CAPITAL	9	3,232,500	2,738,840
MONTEREY COUNTY BANK	6	2,568,040	1,920,700
COMMERCE BANK, SAN LUIS OBISPO	8	2,192,000	1,846,600
PACIFIC VALLEY NATIONAL BANK	8	2,005,000	1,723,225
TULARE COUNTY CDC	3	1,355,000	1,355,000
VISALIA COMMUNITY BANK	4	1,540,000	1,230,025
SAN JOAQUIN BANK	11	1,450,000	1,150,050
FIRST BANK OF SAN LUIS OBISPO	9	1,231,500	1,001,000
MODESTO BANKING COMPANY	4	1,148,000	975,800
COAST COMMERCIAL BANK	2	1,350,000	947,500
BANK OF SALINAS	4	1,100,000	929,750
MID STATE DEVELOPMENT CORP	2	906,000	906,000
BANK OF THE SIERRA	4	940,000	813,400
GOVERNMENT FUNDING CALBIDCO	5	935,000	807,000
CYPRESS COAST BANK	2	966,000	788,600
ARVIN DEVELOPMENT CORPORATION	2	762,000	762,000
OAK VALLEY COMMUNITY BANK	2	880,000	722,500
MONUMENT NATIONAL BANK	1	833,600	708,560
CALIFORNIA STATEWIDE CDC	1	671,000	671,000
MINERAL KING NATIONAL BANK	2	1,055,000	661,850
GOLETA NATIONAL BANK	2	640,000	524,752
TRUCKEE RIVER BANK	1	495,000	420,750
CHANNEL ISLANDS NATIONAL BANK	1	450,000	382,500
CENTRAL CALIFORNIA CDC	1	372,000	372,000
FIRST NATIONAL BANK OF VENTURA	1	390,000	331,500
BANK OF FRESNO	2	363,000	309,462
STANISLAUS COUNTY CDC	1	306,000	306,000
GOLDEN OAK BANK	2	260,000	226,000
SACRAMENTO COMMERCIAL BANK	1	260,000	221,000
QUEEN CITY BANK	1	161,700	137,445
CAPITAL BANK OF CALIFORNIA	1	160,000	136,000
SACRAMENTO FIRST NATIONAL BANK	1	160,000	136,000
CALIFORNIA BUSINESS BANK	1	126,500	109,347
SANTA LUCIA NATIONAL BANK	1	103,500	93,150
CROWN CDC OF KINGS COUNTY	1	90,000	90,000
PACIFIC WESTERN BANK	1	100,000	90,000
DIRECT	1	70,000	70,000
SAN BENITO BANK	1	53,600	48,240
BANK OF AMERICA	1	50,000	45,000
CITIZENS NATIONAL BANK	1	50,000	45,000
COUNTY BANK OF MERCED	1	40,600	36,540
TOTALS	157	51,408,840	41,540,965

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Las Vegas District Office
1ST & 2ND QUARTER FY93 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
VALLEY BANK OF NEVADA	22	5,625,000	4,665,725
NEVADA STATE CDC	15	4,340,000	4,340,000
NEW VENTURES CDC	11	3,332,000	3,332,000
SOUTHERN NEVADA CDC	7	2,296,000	2,296,000
TRUCKEE RIVER BANK	9	2,261,600	1,895,005
NEVADA COMMUNITY BANK	6	1,490,750	1,285,888
FIRST INTERSTATE BANK, NEVADA	17	1,389,900	1,181,820
KIRKWOOD BANK & TRUST COMPANY	2	1,230,000	978,300
PRIMERIT BANK	1	750,000	637,500
AMERICAN BANK OF COMMERCE	4	713,500	599,950
NEVADA STATE BANK	2	615,000	530,250
SUN STATE BANK	2	450,000	387,500
PIONEER CITIZENS BANK, NEVADA	1	350,000	297,500
LA JOLLA BANK	1	160,000	129,600
ITT SMALL BUS. FINAN CORP.	1	52,500	47,250
TOTALS	101	25,056,250	22,604,288

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Honolulu District Office
1ST & 2ND QUARTER FY93 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
HEDCO LOCAL DEVEL CORP	9	4,179,000	4,179,000
BANK OF HAWAII	16	4,273,602	3,096,779
FIRST HAWAIIAN BANK	12	1,195,000	1,031,150
DIRECT	4	335,000	335,000
CITY BANK	3	405,000	322,424
HAWAII NATIONAL BANK	1	175,000	142,975
BANK OF HONOLULU	1	100,000	86,000
CENTRAL PACIFIC BANK	1	65,000	58,500
BANK OF GUAM	1	25,000	22,500
TOTALS	48	10,752,602	9,274,328

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San Diego District Office
1ST & 2ND QUARTER FY93 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
SAN DIEGO COUNTY CDC	25	8,187,000	8,187,000
BANK OF COMMERCE	24	6,824,790	5,380,252
BANK OF SAN DIEGO	13	6,651,831	5,067,179
FALLBROOK NATIONAL BANK	15	5,417,742	4,363,594
NORTH COUNTY BANK	23	5,120,950	4,061,068
FIRST INTERNATIONAL BANK	17	4,618,247	3,877,824
MONEY STORE INVESTMENT CORP.	10	3,213,000	2,584,250
UNION BANK	11	2,939,800	2,473,260
ESCONDIDO NATIONAL BANK	7	2,799,000	2,141,268
CAPITAL BANK OF CARLSBAD	4	2,382,950	1,891,395
VALLEY INDEPENDENT BANK	14	1,598,050	1,351,568
GOVERNMENT FUNDING CALBIDCO	5	1,528,000	1,279,050
FIRST WESTERN BANK	6	1,301,500	1,120,800
FIRST CALIFORNIA BANK	4	1,102,675	931,760
SAN DIEGUITO NATIONAL BANK	7	1,095,046	886,909
VALLE DE ORO BANK	2	960,000	798,500
TRACY FEDERAL BANK	5	891,000	790,000
GARFIELD BANK	1	900,000	749,997
PACIFIC COMMERCE BANK	9	789,600	690,890
BANK OF CORONADO	7	647,950	551,530
SAN MARCOS NATIONAL BANK	2	476,500	403,225
SAN DIEGO TRUST & SAVINGS BANK	3	417,000	366,950
BANK OF AMERICA	2	385,000	320,500
WELLS FARGO BANK	2	350,900	302,810
BANK OF SOUTHERN CALIFORNIA	2	343,000	291,550
SAN DIEGO FIRST BANK	2	295,000	255,500
ITT SMALL BUS. FINAN CORP.	2	269,000	230,200
QUEEN CITY BANK	2	254,000	228,600
COMMERCIAL INDUSTRIAL CDC	1	217,475	217,475
CUYAMACA BANK	2	240,000	206,000
ORANGE NATIONAL BANK	1	132,000	105,600
SECURITY PACIFIC NATIONAL BANK	1	127,000	101,600
UNITED CITIZENS NATIONAL BANK	1	100,000	80,000
DIRECT	1	25,000	25,000
TOTALS	233	62,701,006	52,313,104

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Phoenix District Office
1ST & 2ND QUARTER FY93 LENDING
VALUE OF LOANS

LENDER'S NAME	NUMBER	LOAN AMOUNT	SBA SHARE
MONEY STORE INVESTMENT CORP.	30	10,894,500	8,727,300
M & I THUNDERBIRD BANK	9	3,158,661	2,451,609
VALLEY BANK OF NEVADA	11	2,891,589	2,422,848
VALLEY NATIONAL BANK, ARIZONA	15	2,783,200	2,283,346
ARIZONA ENTER. DEVEL CORP	8	2,128,000	2,128,000
ITT SMALL BUS. FINAN CORP.	9	2,515,000	2,038,020
REPUBLIC NATIONAL BANK	4	2,357,000	1,889,150
PHOENIX LOCAL DEVELOPMENT CORP	5	1,670,000	1,670,000
TUCSON CDC	8	1,472,000	1,472,000
FOUNDERS BANK OF ARIZONA	7	1,699,300	1,420,076
FIRST INTERSTATE BANK, ARIZONA	6	1,529,194	1,150,951
ROCKY MOUNTAIN BANK	3	795,000	658,200
ZIONS FIRST NATIONAL BANK	2	791,000	632,800
RIO SALADO BANK	4	827,000	597,640
HARRIS TRUST BANK OF ARIZONA	1	600,000	510,000
WESTERN SECURITY BANK	3	445,750	367,100
ZIONS 1ST NATIONAL BANK	2	365,000	312,750
SOUTHERN ARIZONA BANK	1	283,500	240,975
FOUNTAIN BANK	2	283,450	237,105
BILTMORE INVESTMENT BANK	1	130,000	117,000
BANK OF SCOTTSDALE	2	82,000	73,800
COMMUNITY BANK OF ARIZONA	1	85,000	70,550
TOTALS	134	37,786,144	31,471,220

EXHIBIT III

U.S. SMALL BUSINESS ADMINISTRATION

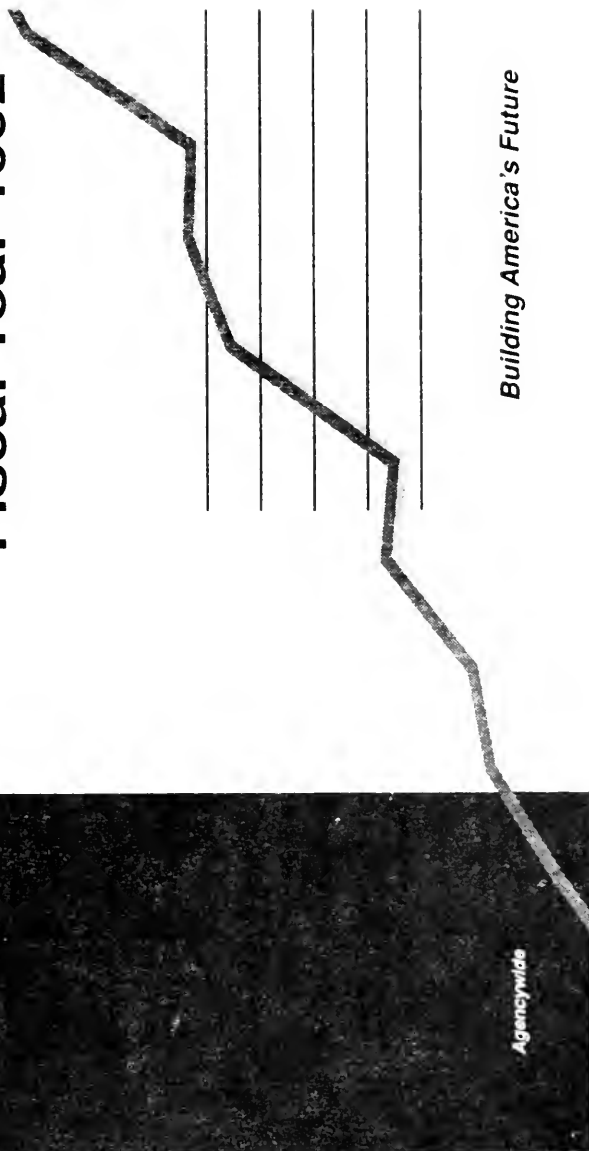
LOAN PROFILES REPORT
FISCAL YEAR 1992



U.S. Small Business Administration
Office of Financial Assistance

LOAN PROFILES

Fiscal Year 1992



Building America's Future

LOAN PROFILES VOLUME IV FISCAL YEAR 1992

SBA's Office of Financial Assistance is publishing Volume IV of *Loan Profiles*. It provides descriptive statistics: cross tabulations, averages, standard deviations and medians on SBA's business loan programs. Lending activity associated with the Disaster Program and the Small Business Investment Company Program is excluded. *Loan Profiles* is published each fiscal year.

The report provides immediate answers to questions such as:

- What percentage of loans goes to corporations, manufacturers, women, individual minority groups and new businesses?
- What are the average size, maturity, guaranty percentage, interest rate and number of employees?
- How many loans are under \$50,000 or over \$500,000?

In addition, the publication includes "The Program at a Glance: Graphic Profiles." To provide a quick overview, this section furnishes a graphical portrayal of the most frequently requested statistics on the loan program.

Loan Profiles provides a rank ordering of loan volume by district and branch office (Report 19) and annual approval statistics on all loan programs (Report 17).

The current edition of *Loan Profiles* contains a new table on SBA's Microloan Demonstration Program. This table is found on page 81, Report 17. In addition, fiscal year 1992 loan approval activity for the 8(a), Export Revolving Line of Credit, International Trade, Microloan, Small General Contractor and Pollution Control programs are contained only in Report 17.

Concerning the data presentation in this report, two clarifications are appropriate. First, in Report 17, "Approvals by Fiscal Year," the data for SBA approvals prior to 1989 include loans which have been canceled after approval. On data for 1989 and after, cancellations are netted out. Second, in past years there was a table in reports 1 through 16 on 501, 502, 503, and 504 loans. Beginning this year that table provides data for 503 and 504 loans only, in order to highlight those programs. However, data for the 501 and 502 programs are included in the "All Loans" table.

This report was designed for the purposes of management, speech and report preparation, and responding to outside requests for information. Copies have been provided to each field office. They should be made available to all FA employees. Additional copies are available from the SBA warehouse.

Loan Profiles was designed by Allan S. Mandel, director of the Office of Rural Affairs and Economic Development. Any comments should be addressed to Raymond B. Snyder, Office of Financial Assistance.

Description of the Report

The description should be read in conjunction with the sample page that follows.

1. Loans by [] - This gives the subject for each set of four reports. For example, the first set of reports gives loan numbers and dollars by form of business organization: individual (sole proprietorship), partnership or corporation.
2. Each report is presented for four different sets of loan types:
 - a. 7(a) loans: business loans, economic opportunity loans, energy loans, veterans loans and handicapped assistance loans
 - b. 503 and 504 loans
 - c. Economic opportunity loans
 - d. All loans: all of a - c above
3. Outstanding Loans: All Prior Fiscal Years and Latest Year - Data in this part of the table are for outstanding loans approved in all prior fiscal years and the latest fiscal year. Loans that are fully undisbursed, paid in full, charged off or canceled are not included.
4. Direct - Direct SBA loans
5. I/P - Immediate participation loans
6. Guaranty - Guaranteed loans
7. Total - Direct, immediate participation and guaranteed loans
8. Number - The number of loans in the category
9. \$ Gross - The gross dollars of loans in the category
10. \$ SBA - The dollars of loans either made or guaranteed by the SBA. For direct loans, gross dollars and SBA dollars are the same. For 7(a) guaranteed loans and immediate participation loans, the two figures will differ. For example, if a lender makes a \$100,000 loan and SBA guarantees 90%, the figure is \$100,000 for gross dollars and \$90,000 for SBA dollars. For 503 and 504 loans, gross dollars is an estimate of the total amount of financing made available to the borrowers, and consists of SBA-guaranteed dollars, the first mortgage loan from a lender and the CDC injection.

11. Each "%" column reflects a percentage of the total and corresponds to the category to its left (i.e., number, \$ gross and SBA). On the sample page, for example, the figures show that 50% of total 7(a) loans outstanding (48,605 out of the total 97,101) are to corporations, and 61% of gross loan dollars (\$12,633,292) are to corporations.
12. Fiscal year 1992 approvals - Dates in this part of the table are for gross approvals less cancellations in fiscal year 1992.

Report 17, "Approvals by Fiscal Year," was prepared by the Office of the Comptroller. All other reports were prepared by the Office of Financial Assistance.

Please see "Selection Criteria Information" at the end of *Loan Profiles* for additional descriptive information.

Acknowledgements

The computer run was completed by Michael Avant, systems analyst and team leader in the systems branch, Office of Information Management, under the direction of Toni Rives, chief, systems branch, Office of Information Management. The graphic profiles were completed by Richard Harrington, Office of Finance.

PAGE
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CLASS A

SMALL BUSINESS ADMINISTRATION
AGENCY WIDE
FINANCIAL ASSISTANCE PROGRAM
LOAN PROFILES
AS OF SEPTEMBER 30, 1992

1 LOANS BY BUSINESS ORGANIZATION
2 TIA) LOANS BUSINESS LOANS, EOL, ENERGY, VETS, MAL

ALL FYS

3 OUTSTANDING LOANS ALL PRIOR FISCAL YEARS AND LATEST YEAR									
8	NUMBER	4 DIRECT		5 I/P		6 DOLLARS IN THOUSANDS		7 TOTAL	
		NUMBER	GROSS	NUMBER	GROSS	NUMBER	GROSS	NUMBER	GROSS
1	INDIVIDUALS	4384	274608	78	8227	5971	5679908	4736140	37929
	PARTNERSHIPS	274	17996	17	2694	1997	2174767	1795486	10563
	CORPORATIONS	2353	266968	87	17342	11894	46165	12348982	10000967
	UNSPECIFIED	1	10			3	310	0	280
TOTALS	CLASS A, ALL FYS	7384	592971	182	28263	19862	89535	20203967	16532863

CURRENT FY

12 FISCAL YEAR 1992 APPROVALS

DOLLARS IN THOUSANDS									
NUMBER	DIRECT		I/P		GUARANTY		TOTAL		
	NUMBER	GROSS	NUMBER	GROSS	NUMBER	GROSS	NUMBER	GROSS	%
INDIVIDUALS	574	23017			7856	1451764	8230	36	1475681
PARTNERSHIPS	274	17996			1887	456087	1918	8	498405
CORPORATIONS	171	18747	1	220	150	12716	3680979	2959821	12888
UNSPECIFIED									65
TOTALS	CLASS A, CURRENT FY	576	44982	1	220	150	22459	5628830	4556427

PERCENTAGES ARE ROUNDED, MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION. TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED IN THE FOLLOWING ORDER: INDIVIDUALS, PARTNERSHIPS, CORPORATIONS, UNSPECIFIED. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.

Report Prepared 03/09/93

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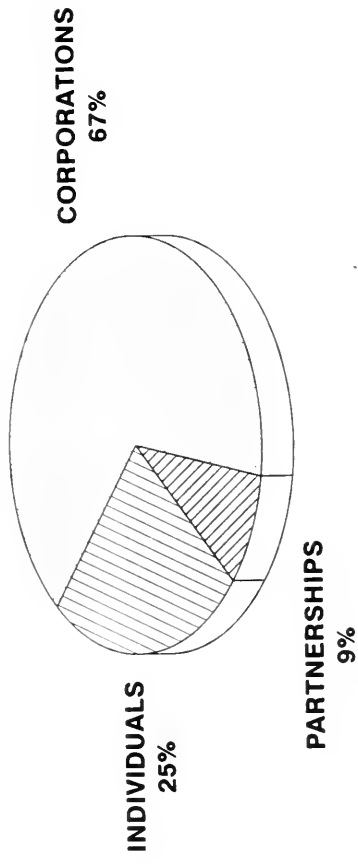
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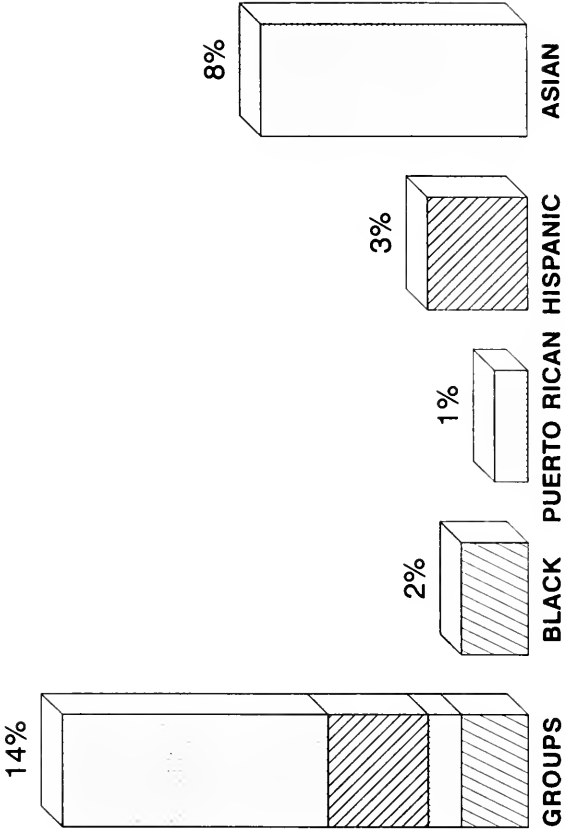
FORM OF BUSINESS ORGANIZATION

Approvals FY 1992, All Loans, SBA \$



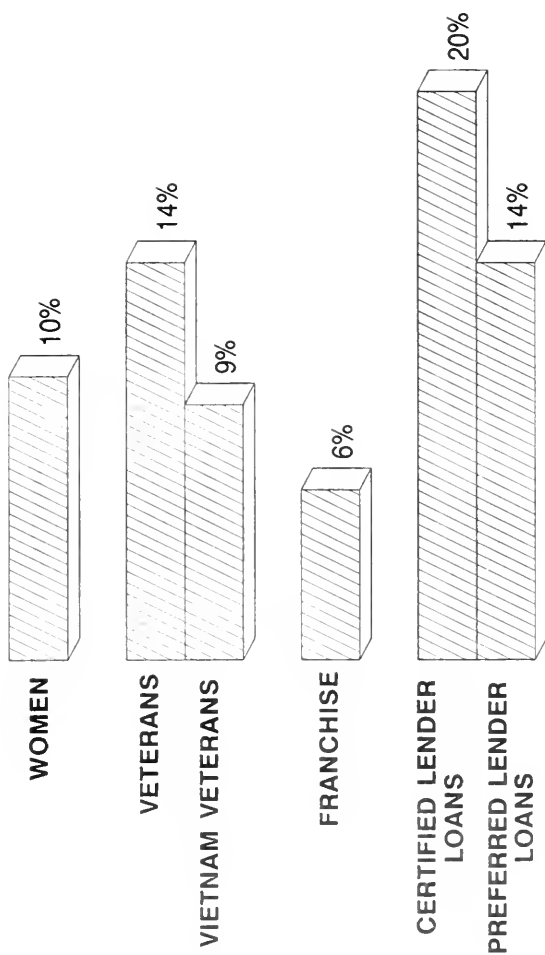
MINORITY GROUPS

Approvals FY 1992, All Loans, SBA \$



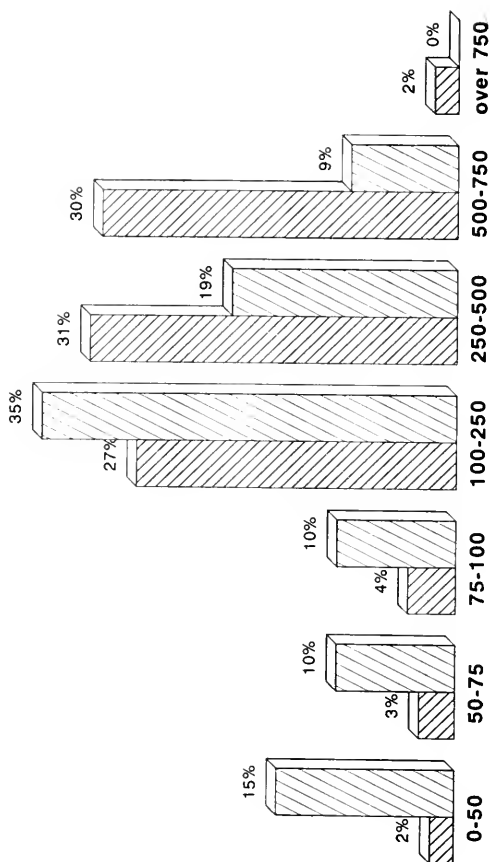
SPECIAL CATEGORIES

Approvals FY 1992, All Loans, SBA \$



LOAN SIZE

Approvals FY 1992, All Loans, SBA \$



 SBA DOLLARS  NUMBER OF LOANS

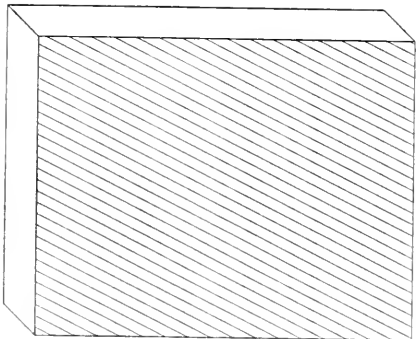
Range Values: SBA Dollars in Thousands

page iv

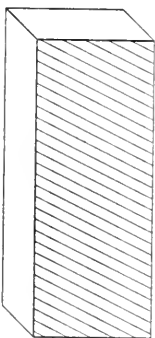
AVERAGE LOAN SIZE

Approvals FY 1992, All Loans, Gross \$

\$251,295



\$78,093

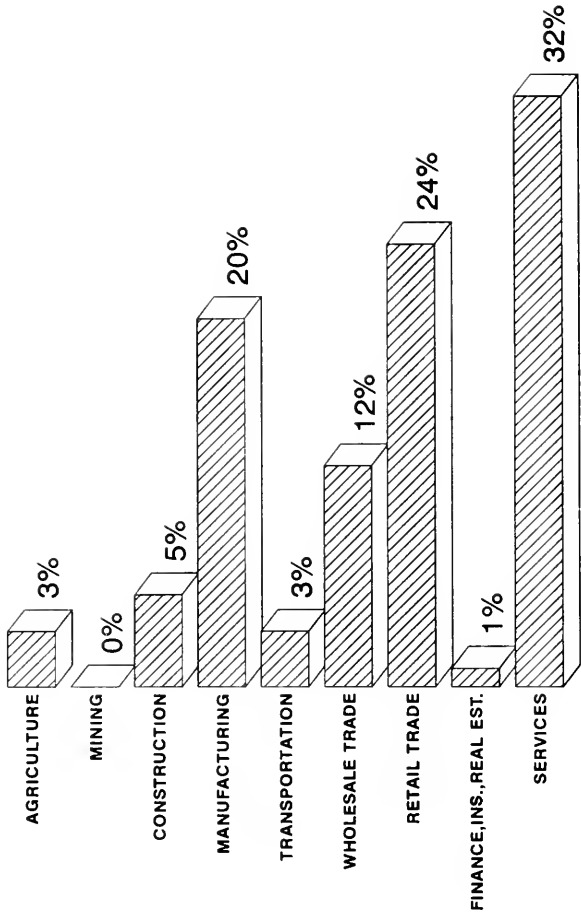


DIRECT:7(A)

GUARANTY:7(A) & DEV

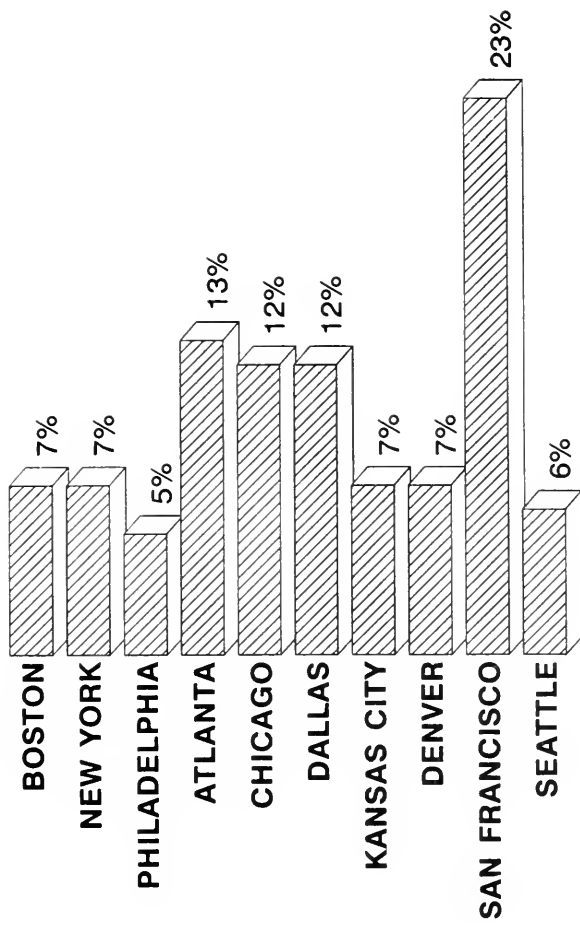
SIC CODE

Approvals FY 1992, All Loans, SBA \$



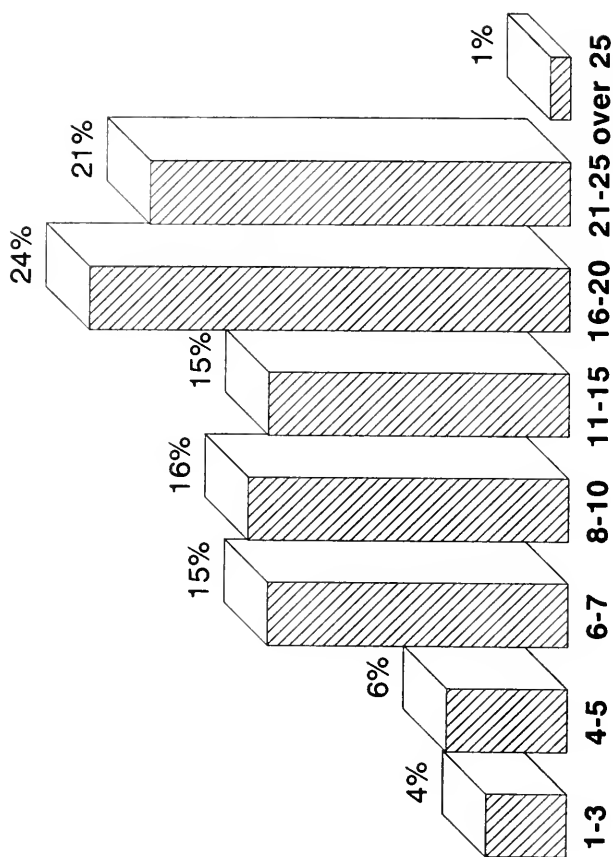
REGIONS

Approvals FY 1992, All Loans, SBA \$

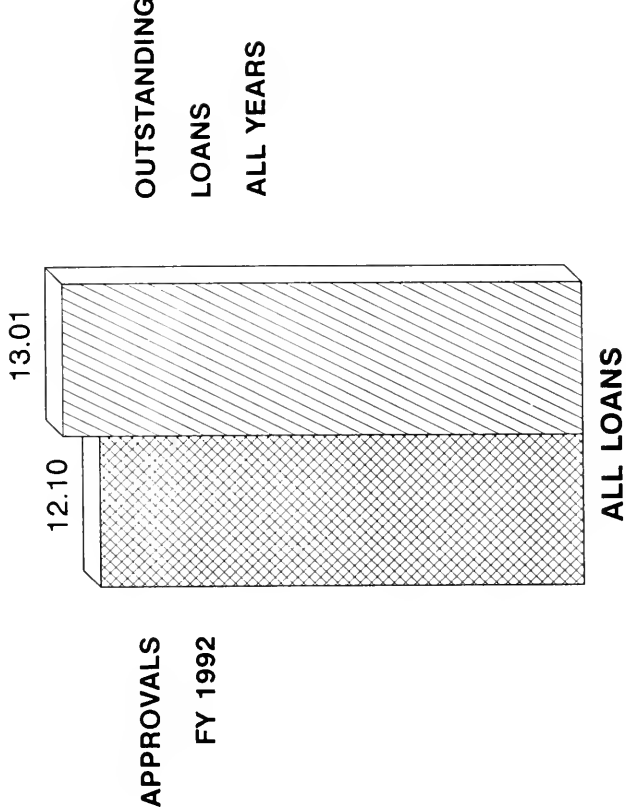


ORIGINAL YEARS TO MATURITY

Approvals FY 1992, All Loans, SBA \$

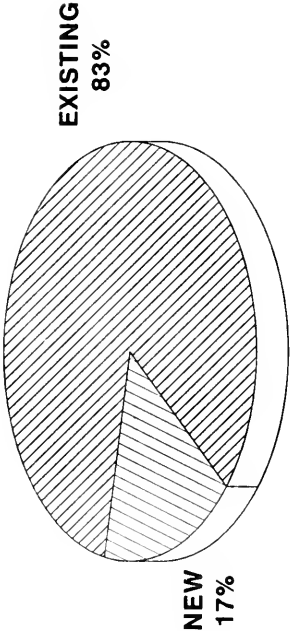


AVERAGE ORIGINAL LOAN YEARS



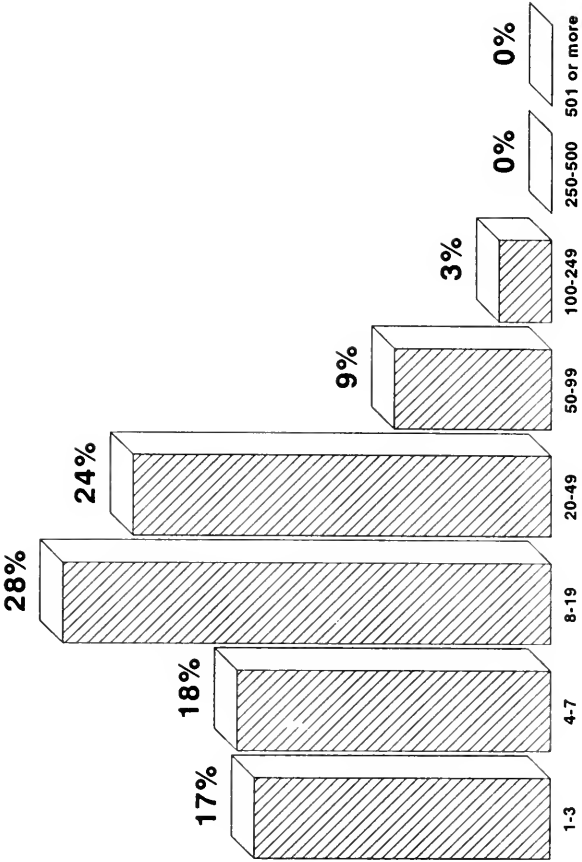
NEW OR EXISTING BUSINESS

Approvals FY 1992, All Loans, SBA \$



NUMBER OF EMPLOYEES

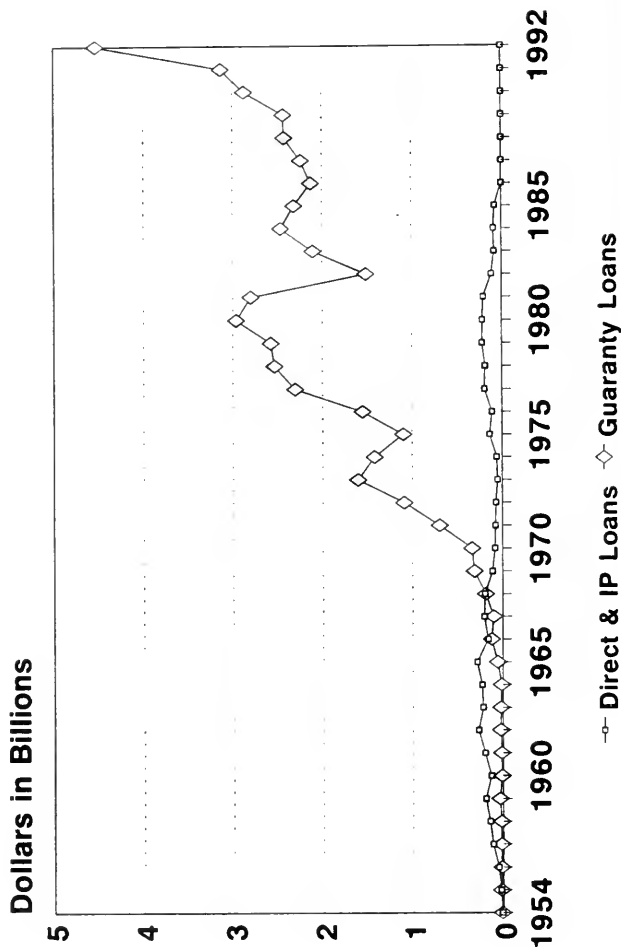
Approvals FY 1992, All Loans, SBA \$



Average Number of Employees: 25

LOAN APPROVALS BY FISCAL YEAR

7(a) General Business Loans, SBA \$'s



LOANS BY INESS ORGANIZATION SMALL BUSINESS ADMINISTRATION
 7(A) LOANS, BUSINESS LOANS, EOL, ENERGY, VETS, HAL AGENCY DE
 AS OF SEPTEMBER 30, 1992 FINANCIAL ASSISTANCE PROGRAM
 LOAN REPLES

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

	DOLLARS IN THOUSANDS				DOLLARS IN THOUSANDS				DOLLARS IN THOUSANDS				ALL FYS	
	NUMBER	\$ GROSS	I/P	NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	%	\$ GROSS		%
INDIVIDUALS	4384	277608	78	8227	5971	33467	5679808	4736140	37929	39	5965833	29	5019809	29
PARTNERSHIPS	848	44298	187	17942	11894	9800	2174767	1795486	10563	11	2225756	11	1845778	11
CORPORATIONS	2383	268988	87	17942	11894	46163	1234818	10000920	48603	50	12633220	61	10279829	60
UNSPECIFIED	1	10	10	10	10	3	310	270	2	2	2	2	2	0
TOTALS: CLASS A, ALL FYS	7384	592971	182	28263	19862	89535	20203867	16532863	97101	100	20825201	101	17145696	100

FISCAL YEAR 1992 APPROVALS

	DOLLARS IN THOUSANDS				DOLLARS IN THOUSANDS				DOLLARS IN THOUSANDS				CURRENT FY	
	NUMBER	\$ GROSS	I/P	NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	%	\$ GROSS	%	\$ GROSS		%
INDIVIDUALS	374	23917				7856	1451.64	1186145	8230	36	1475681	26	1220062	27
PARTNERSHIPS	21	2318				1887	496087	400481	1918	8	498405	9	402779	9
CORPORATIONS	171	18747	1	220	150	12716	3680979	2959821	12888	56	3699946	65	2978718	65
UNSPECIFIED										0		0		0
TOTALS: CLASS A, CURRENT FY	576	44982	1	220	150	22459	5628830	4556427	23036	100	5674032	100	4601559	101

Report Prepared: 03/09/93

PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION
 TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING
 & BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR

LOANS BY BUSINESS ORGANIZATION
503 AND 504 LOANS

SMALL BUSINESS ADMINISTRATION
ASSISTANCE PROGRAM
FINANCIAL ASSISTANCE PROGRAM
LOAN PROFILES
AS OF SEPTEMBER 30, 1992

PAGE 2
REPORT 1
CLASS B

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

ALL FYS

	DOLLARS IN THOUSANDS				TOTAL			
	DIRECT		I/P		GUARANTY			
	NUMBER	\$ GROSS	NUMBER	\$ SBA	NUMBER	\$ GROSS	NUMBER	\$ SBA
INDIVIDUALS	1528	261993	261993		1528	15	261993	11
PARTNERSHIPS	951	219336	219336		951	9	219336	9
CORPORATIONS	7585	1947329	1946977		7585	75	1946977	80
UNSPECIFIED						0		0
TOTALS CLASS B, ALL FYS	10064	2428658	2428306		10064	99	2428658	100

FISCAL YEAR 1992 APPROVALS

CURRENT FY

	DOLLARS IN THOUSANDS				TOTAL			
	DIRECT		I/P		GUARANTY			
	NUMBER	\$ GROSS	NUMBER	\$ SBA	NUMBER	\$ GROSS	NUMBER	\$ SBA
INDIVIDUALS	278	64409	64409		278	14	64409	10
PARTNERSHIPS	163	51314	51314		163	8	51314	8
CORPORATIONS	1568	503944	503944		1568	78	503944	81
UNSPECIFIED						0		0
TOTALS CLASS B, CURRENT FY	2009	619667	619667		2009	100	619667	99

Report Prepared 03/09/93

PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION
TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING
& BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.

LOANS BY BUSINESS ORGANIZATION
 SMALL BUSINESS ADMINISTRATION
 FINANCIAL ASSISTANCE PROGRAM
 EDL LOANS
 AS OF SEPTEMBER 30, 1992

 OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

	DIRECT				1/P				DOLLARS IN THOUSANDS				TOTAL			
	NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	\$ GROSS		
INDIVIDUALS	1717	89732	5	291	216	568	54219	46615	2290	69	144242	52	136563	54		
PARTNERSHIPS	190	11277	1	32	32	79	16435	11792	270	8	27744	10	23101	9		
CORPORATIONS	451	35414	3	639	407	307	71878	58443	761	20	107764	38	92264	35		
UNSPECIFIED	10	10	0	0	0	0	0	0	0	0	10	0	10	0		
TOTALS: CLASS C, ALL FYS	2359	136433	9	962	655	954	142532	114850	3322	100	279927	101	251938	100		

FISCAL YEAR 1992 APPROVALS

	DIRECT				1/P				DOLLARS IN THOUSANDS				TOTAL			
	NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	\$ GROSS		
INDIVIDUALS	202	12165							202	60	12165	73	12165	73		
PARTNERSHIPS	11	848							11	4	848	5	848	5		
CORPORATIONS	39	3735							39	15	3735	20	3735	20		
UNSPECIFIED										0		0		0		
TOTALS: CLASS C, CURRENT FY	252	16748							252	99	16748	100	16748	100		

Report Prepared: 03/09/93

PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION
 TOTALS MAY VARY SLIGHTLY AMONG REPORTS. EFFECTIVE SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING
 & BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR

PAGE 3
 RE 1
 CLASS C

LOANS BY BUSINESS ORGANIZATION
 ALL LOANS
 SMALL BUSINESS ADMINISTRATION
 FINANCIAL ASSISTANCE PROGRAM
 LOAN PROFILES
 AS OF SEPTEMBER 30, 1992
 OUTSTANDING LOANS. ALL PRIOR FISCAL YEARS AND LATEST YEAR
 ALL FYS

	DIRECT				I/P				GUARANTY				TOTAL			
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	GROSS	
INDIVIDUALS	4384	277698	78	8227	5971	34995	5941901	4998133	39457	37	6227826	27	5281802	27		
PARTNERSHIPS	646	48295	17	2694	1197	10851	2394103	2014822	11514	11	2445092	11	2065114	11		
CORPORATIONS	2357	271468	87	17342	11894	53750	14296311	11947944	56194	52	14585121	63	12231306	62		
UNSPECIFIED	1	10			3	310		270	4	0	320	0	280			
TOTALS CLASS D, ALL FYS	7388	597471	182	28263	19862	99599	22632625	18961169	107169	100	23258359	101	19578502	100		

FISCAL YEAR 1992 APPROVALS

	DIRECT				I/P				GUARANTY				TOTAL			
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	GROSS	
INDIVIDUALS	374	23917			8134	1516173	1260554	8508	34	1540090	24	1284471	25			
PARTNERSHIPS	31	2318			2050	547401	451775	2081	8	549719	9	454093	9			
CORPORATIONS	171	18747	1	220	150	14284	4184923	3463765	14456	58	4203890	67	3482662	67		
UNSPECIFIED									0		0		0			
TOTALS CLASS D, CURRENT FY	576	44982	1	220	150	24468	6248497	5176094	25045	100	6293699	100	5221226	101		

Report Prepared: 03/09/93

PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION
 TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF FINANCING
 & BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.

LOANS BY GF 2 CLASSIFICATION

SMALL BUSINESS ADMINISTRATION
AGENCY : FINANCIAL ASSISTANCE PROGRAM
7(A) LOANS: JUSTICE, VETS, HAL
LOAD PROFILES
AS OF SEPTEMBER 30, 1992

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REPC 2
CLASS A

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

NUMBER	% GROSS	NUMBER	% GROSS	DOLLARS IN THOUSANDS				TOTAL						
				I/P	\$ SBA	NUMBER	% GROSS	\$ SBA	NUMBER	% GROSS	% SBA			
1217	81273	11	1189	584	2595	447844	91040	2823	4	528906	3	452897		
908	50227	3	318	220	1328	226443	184500	2238	2	272907	1	252907		
83	5841	1	150	113	337	68660	56867	430	0	74501	0	62708		
783	55981	1	150	113	2662	556530	406655	3426	4	612641	3	516729		
219	19372	1	60	45	4501	1347146	1098761	4721	5	1366578	7	1118178		
8	8287	4	751	549	21	4801	4045	30	0	46589	0	4832		
78	36276	162	25799	18251	76162	1703259	13942635	80142	83	1743534	84	14329152		
4090	36276	162	25799	18251	76162	1703259	13942635	80142	83	1743534	84	14329152		
17	2918				169	52645	43017	186	0	55561	0	45433		
TOTALS: CLASS A, ALL FYS		7384	592970	182	28264	19862	89535	20203967	16532863	97101	100	20825201	100	17145695

FISCAL YEAR 1992 APPROVALS

NUMBER	% GROSS	NUMBER	% GROSS	DOLLARS IN THOUSANDS				TOTAL						
				I/P	\$ SBA	NUMBER	% GROSS	\$ SBA	NUMBER	% GROSS	% SBA			
53	3612				606	115548	96126	659	3	119160	2	99738		
96	5458				392	67532	56955	488	2	27980	0	6131		
146	1046				720	170346	138437	737	3	171395	3	139486		
17	1046				1398	502665	402229	1423	6	504979	9	404543		
25	2314				6	2912	2400	6	0	2912	0	2400		
14	1986				645	178556	144109	659	3	180541	3	146094		
364	30099	1	220	150	18947	4554523	3687145	18912	82	4584842	81	3717394		
TOTALS: CLASS A, CURRENT FY		576	44983	1	220	150	22459	5628831	4556428	23036	99	5674034	99	4601561

Report Prepared: 13/09/93

PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION
TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING
& BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR

LOANS BY GROUP CLASSIFICATION
 503 AND 504 LOANS
 SMALL BUSINESS ADMINISTRATION
 FINANCIAL ASSISTANCE PROGRAM
 LOAN PROFILES
 AS OF SEPTEMBER 30, 1992

PAGE 6
 REPORT 2
 CLASS 8

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

	DOLLARS IN THOUSANDS				DOLLARS IN THOUSANDS				DOLLARS IN THOUSANDS			
	DIRECT		I/P		GUARANTY		TOTAL		DIRECT		I/P	
	NUMBER	\$	NUMBER	\$	NUMBER	\$	NUMBER	%	NUMBER	\$	NUMBER	%
BLACK	126	27398	126	27398	126	27398	126	1	126	27398	126	1
PUERTO RICAN	102	24381	102	24381	102	24381	102	1	102	24381	102	1
AMERICAN INDIANS	17	2303	17	2303	17	2303	17	0	17	2303	17	0
HISPANIC	151	35229	151	35229	151	35229	151	2	151	35229	151	2
ESKIMO	229	68481	229	68481	229	68481	229	2	229	68481	229	2
ASIAN	394	108386	394	108386	394	108386	394	4	394	108386	394	4
UNDETERMINED	9012	2151859	9012	2151859	9012	2151859	9012	90	9012	2151859	9012	90
OTHERS, INCLUDING WHITES	32	10308	32	10308	32	10308	32	0	32	10308	32	0
MULTI-GROUP												
TOTALS CLASS B, ALL FYS	10064	2428658	10064	2428658	10064	2428658	10064	100	10064	2428658	10064	100

FISCAL YEAR 1992 APPROVALS

	DOLLARS IN THOUSANDS				DOLLARS IN THOUSANDS				DOLLARS IN THOUSANDS			
	DIRECT		I/P		GUARANTY		TOTAL		DIRECT		I/P	
	NUMBER	\$	NUMBER	\$	NUMBER	\$	NUMBER	%	NUMBER	\$	NUMBER	%
BLACK	30	7636	30	7636	30	7636	30	1	30	7636	30	1
PUERTO RICAN	23	8012	23	8012	23	8012	23	0	23	8012	23	0
AMERICAN INDIANS	39	15890	39	15890	39	15890	39	2	39	15890	39	2
HISPANIC	72	31421	72	31421	72	31421	72	4	72	31421	72	4
ESKIMO	99	30119	99	30119	99	30119	99	0	99	30119	99	0
ASIAN	1738	525404	1738	525404	1738	525404	1738	8	1738	525404	1738	8
UNDETERMINED												
OTHERS, INCLUDING WHITES												
MULTI-GROUP												
TOTALS CLASS B, CURRENT FY	2009	619667	2009	619667	2009	619667	2009	100	2009	619667	2009	100

Report Prepared 03/09/93

PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION. TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING & BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.

LOANS BY GP - CLASSIFICATION
 EOL LOANS
 SMALL BUSINESS ADMINISTRATION
 FINANCIAL ASSISTANCE PROGRAM
 LOAN PROFILES
 AS OF SEPTEMBER 30, 1992

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

	DIRECT				I/P				DOLLARS IN THOUSANDS				TOTAL			
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	\$	SBA	NUMBER	\$	GROSS	%	\$	GROSS	%	\$
BLACK	533	27429		5	175	139			127	16514			655	20	44118	16
PUERTO RICAN	721	36522							478	71256			199	36	107718	31
AMERICAN INDIANS	32	1831							5	511			37	1	2342	37
HISPANIC	342	20179							76	11392			418	13	31571	11
ASIAN	107	8578							17	1727			124	4	29134	12
ESKIMO - ALEUT	5	338							9	1513			5	0	10305	4
UNDETERMINED	9	338							18	26			18	26	333	0
OTHERS, INCLUDING WHITES	608	41105		4	787	517			242	39620			852	26	1852	1
MULTI-GROUP	2	117							33650				2	0	81512	29
TOTALS: CLASS C, ALL FYS	2359	136433		9	962	656			954	142533			3322	101	279928	101
ALL FYS																251938

FISCAL YEAR 1992 APPROVALS

	DIRECT				I/P				DOLLARS IN THOUSANDS				TOTAL			
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	\$	SBA	NUMBER	\$	GROSS	%	\$	GROSS	%	\$
BLACK	28	1786							28	11	1786	11	1786	11	1786	11
PUERTO RICAN	91	5258							91	36	5258	31	5258	31	5258	31
AMERICAN INDIANS	3	212							3	1	212	1	212	1	212	1
HISPANIC	15	976							15	6	976	6	976	6	976	6
ASIAN	22	1992							22	9	1992	12	1992	12	1992	12
ESKIMO - ALEUT										0		0		0	0	0
UNDETERMINED	1	10							1	0	10	0	10	0	10	0
OTHERS, INCLUDING WHITES	92	6510							92	37	6510	39	6510	39	6510	39
MULTI-GROUP										0		0		0	0	0
TOTALS: CLASS C, CURRENT FY	252	16747							252	100	16747	100	16747	100	16747	100

Report Prepared: 03/09/93

PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION
 TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING
 & BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.

LOANS BY GROUP CLASSIFICATION
ALL LOANS

SMALL BUSINESS ADMINISTRATION
AGENCY WIDE PROGRAM
FINANCIAL ASSISTANCE PROGRAM
LOAN PROFILES
AS OF SEPTEMBER 30, 1992

=====

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

=====

ALL FYS

	DIRECT			I/P			DOLLARS IN THOUSANDS			TOTAL		
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	\$	SBA	NUMBER	%	\$	GROSS
BLACK	1217	81273	11	1189	684	2721	474743	398439	3949	4	557205	2
PUERTO RICAN	908	50227	3	315	220	1430	251024	208941	2341	2	301566	1
AMERICAN INDIANS	86	5484	1	150	113	354	70963	59170	437	0	76804	0
HISPANIC	763	55861	1	60	45	293	531659	145984	3577	3	647870	3
ASIAN	219	19372	1	787	45	4722	141664	1164358	4931	0	5901	0
ESKIMO - ALEUT	9	787	1	751	549	2156	567325	479679	2238	2	576393	2
UNDETERMINED	78	8317	4	751	549	2156	567325	479679	2238	2	576393	2
OTHERS, INCLUDING WHITES	4094	372776	162	25799	18251	85172	19193118	16094132	89428	83	19591693	84
MULTI-GROUP	17	2916	1	201	62953	53325			218	0	65869	0
TOTALS: CLASS D, ALL FYS	7388	597470	182	28264	19862	95999	22632625	18961170	107169	99	23258359	98

FISCAL YEAR 1992 APPROVALS

	DIRECT			I/P			DOLLARS IN THOUSANDS			TOTAL		
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	\$	SBA	NUMBER	%	\$	GROSS
BLACK	53	3612	3	636	123184	103762	689	3	126796	2	107374	2
PUERTO RICAN	96	5458	1	415	75604	63767	511	1	81082	1	69225	1
AMERICAN INDIANS	7	466	0	101	22963	18889	108	0	23429	0	19355	0
HISPANIC	17	1049	3	759	186236	154327	776	3	187285	3	155376	3
ASIAN	25	2314	1	1470	534086	433650	1495	6	536400	9	435964	8
ESKIMO - ALEUT	14	1985	1	6	30912	2400	756	0	2912	0	17400	0
UNDETERMINED	364	30099	1	220	150	20285	5079927	421228	20650	82	210566	81
OTHERS, INCLUDING WHITES												
MULTI-GROUP												
TOTALS: CLASS D, CURRENT FY	576	44983	1	220	150	24468	6248498	5176094	25045	99	6293701	99
												5221227

Report Prepared: 03/09/93

PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION
TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING
& BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.

LOANS BY SPECIAL CLASSES OF LOANS
 S03 AND S04 LOANS
 SMALL BUSINESS ADMINISTRATION
 AGENCY WIDE PROGRAM
 FINANCIAL ASSISTANCE
 LOAN PORTFOLIO
 AS OF SEPTEMBER 30, 1992

PAGE 10
 REPORT 3
 CLASS B

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

ALL FYS

	DOLLARS IN THOUSANDS				PERCENTAGES ARE RELATIVE TO THESE LOAN TOTALS: 10064			
	NUMBER	\$ GROSS	\$ SBA	%	NUMBER	\$ GROSS	\$ SBA	%
WOMEN	628	137281	137281	6	628	137281	137281	6
VETERANS	516	116755	116755	5	516	116755	116755	5
VIETNAM VETERANS	396	103865	103865	4	396	103865	103865	4
FRANCHISE								
TOTAL								

FISCAL YEAR 1992 APPROVALS

	DOLLARS IN THOUSANDS				PERCENTAGES ARE RELATIVE TO THESE LOAN TOTALS: 2009			
	NUMBER	\$ GROSS	\$ SBA	%	NUMBER	\$ GROSS	\$ SBA	%
WOMEN	205	50202	50202	10	205	50202	50202	10
VETERANS	113	34118	34118	6	113	34118	34118	6
VIETNAM VETERANS	94	29176	29176	5	94	29176	29176	5
FRANCHISE	126	47531	47531	6	126	47531	47531	6
TOTAL								

Report Prepared: 03/09/93

VIETNAM VETERANS ARE COUNTED ALSO AS VETERANS
 PREFERRED AND CERTIFIED LOANS ARE NOT PART OF THIS PROGRAM

LOANS BY SPECIAL CLASSES OF LOANS	1	PAGE
EDL LOANS	3	REPO-
		CLASS
SMALL BUSINESS ADMINISTRATION		
AGENCY WINE PROGRAM		
FINANCIAL ASSIST		
LOAN PROGRAM		
AS OF SEPTEMBER 30, 1992		
OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR		ALL FVS

	---OIRECT---						---I/P---						DOLLARS IN THOUSANDS						---TOTAL---					
	NUMBER	%	GROSS	NUMBER	%	GROSS	NUMBER	%	SBA	NUMBER	%	GROSS	NUMBER	%	SBA	NUMBER	%	GROSS	NUMBER	%	GROSS			
WOMEN	537		29631	1		10	5		123	16591		13914	661		20	48232		17	43550		17			
VETERANS	401		24934	2		112	92		157	28569		21892	560		17	83615		19	46918		19			
VIETNAM VETERANS	246		15732	2		112	92		89	18219		13119	337		10	34063		12	28943		11			
FRANCHISE	20		1459						16	2236		2017	36		1	3795		1	3476		1			
CERTIFIED LENDER LOANS									118	28626		20330	118		4	28626		10	20330		6			
PREFERRED LENDER LOANS									1	725		500	1		0			0	500		0			
																			251936		251936			

*PERCENTAGES ARE RELATIVE TO THESE LOAN TOTALS.

•PERCENTAGES ARE RELATIVE TO THESE LOAN TOTALS. 3322 279926 251936

FISCAL YEAR 1992 APPROVALS

	DOLLARS IN THOUSANDS						TOTAL
	--DIRECT--		I/P		GUARANTY		
	NUMBER	\$ GROSS	NUMBER	\$ GROSS	\$ SBA	NUMBER %	\$ SBA %
WOMEN	77	4533				77	4533
VETERANS	2	1884				24	1884
VIETNAM VETERANS	8	509				8	509
FRANCHISE							
CERTIFIED LENDER LOANS							
PREFERRED LENDER LOANS							
*PERCENTAGES ARE RELATIVE TO THESE LOAN TOTALS						252	16748

PERCENTAGES ARE RELATIVE TO THESE LOAN TOTALS

Report Prepared: 03/09/93

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CLASS D

SMALL BUSINESS ADMINISTRATION
FINANCIAL ASSISTANCE PROGRAM
LOAN PROFILES
AS OF SEPTEMBER 30, 1992

LOANS BY SPECIAL CLASSES OF LOANS
ALL LOANS

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

ALL FYS

DOLLARS IN THOUSANDS									
DIRECT		I/P		GUARANTY		TOTAL			
NUMBER	\$	NUMBER	\$	NUMBER	\$	NUMBER	\$	NUMBER	\$
1382	88438	18	2102	1523	11497	2021597	1637142	12897	12
2048	159092	37	4892	3443	15887	3655380	3039592	17970	17
1557	122054	17	1587	1148	9446	2098878	1738073	11030	10
120	9909	16	2810	1987	5289	1139150	964685	5424	5
					22143	4947757	1102464	22123	21
					10395	3013634	2295383	10395	10
								3013634	13
									2295383
									12
									19578503

*PERCENTAGES ARE RELATIVE TO THESE LOAN TOTALS: 107169 23258360

FISCAL YEAR 1992 APPROVALS

CURRENT FY

DOLLARS IN THOUSANDS									
DIRECT		I/P		GUARANTY		TOTAL			
NUMBER	\$	NUMBER	\$	NUMBER	\$	NUMBER	\$	NUMBER	\$
97	5873	2297	505580	489588	3394	14	601452	10	505561
23	1882	3280	822807	691023	3513	14	867338	14	710854
232	18168	2200	545288	450053	2432	10	563456	9	468221
9	890	1340	383646	318045	1349	5	384536	6	318935
		5374	1302453	1067111	5374	21	1302453	21	1067111
		3037	917960	718866	3037	12	917960	15	718866
									5221226
									6293699

*PERCENTAGES ARE RELATIVE TO THESE LOAN TOTALS: 25045

Report Prepared: 03/09/93

VIETNAM VETERANS ARE COUNTED ALSO AS VETERANS.
PREFERRED LENDER LOANS ARE NOT INCLUDED IN CERTIFIED COUNTS.

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CLASS A

SMALL BUSINESS ADMINISTRATION

AGENCY

FINANCIAL ASSISTANCE PROGRAM

7(A) LOANS. J51 LESS LOANS, EDL, ENERGY, VETS HAL

AS OF SEPTEMBER 30, 1992

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

DOLLARS IN THOUSANDS										
---DIRECT---					I/P---					
NUMBER	\$	GROSS	NUMBER	\$	GROSS	\$	SBA	NUMBER	%	
---GUARANTY---					---TOTAL---					
NUMBER	\$	GROSS	NUMBER	\$	GROSS	\$	SBA	NUMBER	%	
O OR ERROR										
1-10000	173	1505	1	5	1284	1139	320	0	2648	
10001-25000	1042	20573	4	63	45986	40418	3262	0	61038	
25001-50000	1828	72732	21	850	362150	316282	10635	11	65622	
50001-75000	1272	82382	15	959	8926	581009	505032	10213	435732	
75001-100000	1118	102984	33	3005	899313	779859	11020	11	664330	
100001-250000	1771	253387	85	14708	10560	460825	34370	35	528221	
250001-500000	119	5816	2	1176	1528	563424	1591	9	65443	
500001-750000	1	510	2	1175	550	2932072	5941	6	3623363	
MORE THAN 750000					2636	2518288	2636	3	2538288	
TOTALS: CLASS A, ALL FYS	7384	592970	182	28263	89535	20203968	16532864	97101	99	20825201
										99

FISCAL YEAR 1992 APPROVALS

DOLLARS IN THOUSANDS											
---DIRECT---					I/P---		---GUARANTY---			---TOTAL---	
NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	GROSS
O OR ERROR											
1-10000	24	230			77	674	596	101	0	904	0
10001-25000	16	508			713	1439	1306	0	16306	0	14532
25001-50000	155	6076			2393	38907	80278	2548	11	104377	2
50001-75000	88	5721			2075	135479	117451	2163	9	141200	2
75001-100000	68	6280			2271	208143	180097	2339	10	214333	4
100001-250000	156	22067	1	220	7463	1267686	1061910	7620	33	1285973	23
250001-500000					4529	1633795	1341221	4538	20	1636890	29
500001-750000					1698	1064516	867826	1698	7	1064516	19
MORE THAN 750000					1240	1204833	886028	1240	5	1204833	21
TOTALS: CLASS A, CURRENT FY	576	44982	1	220	150	22459	5628830	23036	98	5674032	100
											4601560
											100

Report Prepared: 03/05/93

PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION
 TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING
 & BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR

LOANS BY LOAN SIZE: GROSS DOLLARS

503 AND 504 LOANS

SMALL BUSINESS ADMINISTRATION
 ASSISTANT ATTORNEY GENERAL
 FINANCIAL ASSISTANCE PROGRAM
 LOAN PROFILES
 AS OF SEPTEMBER 30, 1992

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 CLASS 8

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

ALL FY'S

	DIRECT			I/P			GUARANTY			TOTAL					
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	SBA	NUMBER	\$	GROSS	%	\$	%
O OR ERROR															
1-10000															
10001-25000															
25001-50000															
50001-75000															
75001-100000															
100001-250000															
250001-500000															
500001-750000															
MORE THAN 750000															
TOTALS: CLASS B, ALL FY'S															

FISCAL YEAR 1992 APPROVALS

CURRENT FY

	DIRECT			I/P			DOLLARS IN THOUSANDS			TOTAL			
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	GROSS	%
O OR ERROR													0
1-10000													0
10001-25000													0
25001-50000													0
50001-75000													0
75001-100000													0
100001-250000													0
250001-500000													0
500001-750000													0
MORE THAN 750000													0
TOTALS: CLASS B, CURRENT FY													0

Report Prepared: 03/09/93

PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION.
 TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING
 & BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.

LOANS BY LOAN SIZE: GROSS DOLLARS
ALL LOANS
SMALL BUSINESS ADMINISTRATION
FINANCIAL ASSISTANCE PROGRAM
LOAN PROFILES
AS OF SEPTEMBER 30, 1992

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REPORT 4
CLASS D

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

	---DIRECT---		I/P		DOLLARS IN THOUSANDS						TOTAL		
	NUMBER	\$ GROSS	NUMBER	\$ GROSS	\$ SBA	NUMBER	\$ GROSS	\$ SBA	NUMBER	%	\$ GROSS	%	\$ SBA
O OR ERROR	173	1505	1	5	4	146	1284	1139	320	0	2794	0	2648
1-10000	104	20573	21	850	47	224	4686	4090	3287	3	67104	0	61520
10001-25000	1828	72732	21	850	643	3081	374207	328339	10830	10	447789	2	401714
25001-50000	1272	82362	15	959	655	37405	610394	554417	10892	10	713715	3	637434
50001-100000	1118	102984	33	3005	2222	10754	977166	857711	11905	11	1083155	5	962917
100001-250000	1771	253387	85	14708	10560	36914	6196388	5344841	38770	36	6464483	28	5608788
250001-500000	182	60417	21	7498	5181	21590	7846735	6691320	21793	20	7914650	34	6756918
500001-750000	1	3000	2	1175	550	2825	2593264	3303711	9516	2	4005009	17	3304771
MORE THAN 750000													
TOTALS: CLASS O, ALL FYS	7388	597470	182	28263	19862	99599	32632627	18961169	107169	98	23258360	100	19578501

FISCAL YEAR 1992 APPROVALS

	DIRECT			I/P			DOLLARS IN THOUSANDS						TOTAL					
	NUMBER	\$ GROSS	NUMBER	\$ GROSS	\$ SBA	NUMBER	\$ GROSS	\$ SBA	NUMBER	%	\$ GROSS	%	\$ SBA	%				
O OR ERROR	24	230			77	674	596	101	0	904	0	826	0	0				
10001-25000	176	1509			713	14797	13023	789	3	16306	0	14532	0	0				
25001-50000	155	6070			2405	99325	86594	2658	10	103395	2	92764	2	2				
50001-75000	88	5721			2185	124581	124553	2373	9	148302	2	130374	2	2				
75001-100000	88	6290			2388	218564	190518	2456	10	224854	4	196808	4	4				
100001-250000	156	22067	1	220	150	8279	1408632	8436	34	1430889	23	1225043	23	23				
250001-500000	9	3095			5125	1841664	154090	5134	20	1844759	29	1552185	30	30				
500001-750000					1991	1255234	1058544	1991	8	1255234	20	1058544	20	20				
750001-1000000					1307	1267056	950251	1307	5	1267056	20	950251	20	20				
MORE THAN 750000																		
TOTALS: CLASS O, CURRENT FY	576	44982	1	220	150	24468	6248497	5176095	25045	99	6293699	100	5221227	99				

Report Prepared: 03/09/93

PERCENTAGES ARE ROUNDED: MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION
TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING
& BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.

SUMMARY STATISTICS: LOAN SIZE

SMALL BUSINESS ADMINISTRATION
FINANCIAL ASSISTANCE PROGRAM
LOAN PROFILES AS OF SEPTEMBER 30, 1992

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7(A) LOANS: BUSINESS LOANS, EDL, ENERGY, VETS, ALL

GROUPED OR ACTUAL DATA	STUDY YEAR	ALL FYS	STUDY YEAR	ALL FYS	STUDY YEAR	ALL FYS	STUDY YEAR	ALL FYS	STUDY YEAR	ALL FYS	STUDY YEAR	ALL FYS
	-----DIRECT-----				-----I/P-----				-----TOTAL-----			
AVERAGE LOAN SIZE, GROSS DOLLAR	78093	80304	220000	155295	250626	225654	246311	214469				
AVERAGE LOAN SIZE, SBA DOLLAR	78093	80304	149974	109130	202877	184652	199755	176575				
STANDARD DEVIATION LOAN SIZE, GROSS DOLLAR	58180	61090	130000	100000	151350	138370	142410	128410				
STANDARD DEVIATION LOAN SIZE, SBA DOLLAR	58180	61090	130000	100000	151350	138370	142410	128410				
STD. DEVIATION LOAN SIZE, GROSS DOLLAR	58654	61375	107948	107948	241004	204546	239650	200916				
STD. DEVIATION LOAN SIZE, SBA DOLLAR	58654	61375	107948	107948	241004	204546	239650	200916				

503 AND 504 LOANS

GROUPED OR ACTUAL DATA	STUDY YEAR	ALL FYS	STUDY YEAR	ALL FYS	STUDY YEAR	ALL FYS	STUDY YEAR	ALL FYS	STUDY YEAR	ALL FYS	STUDY YEAR	ALL FYS
	-----DIRECT-----				-----I/P-----				-----TOTAL-----			
AVERAGE LOAN SIZE, GROSS DOLLAR	78093	80304	220000	155295	250626	225654	246311	214469				
AVERAGE LOAN SIZE, SBA DOLLAR	78093	80304	149974	109130	202877	184652	199755	176575				
STANDARD DEVIATION LOAN SIZE, GROSS DOLLAR	58180	61090	130000	100000	151350	138370	142410	128410				
STANDARD DEVIATION LOAN SIZE, SBA DOLLAR	58180	61090	130000	100000	151350	138370	142410	128410				
STD. DEVIATION LOAN SIZE, GROSS DOLLAR	58654	61375	107948	107948	241004	204546	239650	200916				
STD. DEVIATION LOAN SIZE, SBA DOLLAR	58654	61375	107948	107948	241004	204546	239650	200916				

EDL LOANS

GROUPED OR ACTUAL DATA	STUDY YEAR	ALL FYS	STUDY YEAR	ALL FYS	STUDY YEAR	ALL FYS	STUDY YEAR	ALL FYS	STUDY YEAR	ALL FYS	STUDY YEAR	ALL FYS
	-----DIRECT-----				-----I/P-----				-----TOTAL-----			
AVERAGE LOAN SIZE, GROSS DOLLAR	78093	80304	220000	155295	250626	225654	246311	214469				
AVERAGE LOAN SIZE, SBA DOLLAR	78093	80304	149974	109130	202877	184652	199755	176575				
STANDARD DEVIATION LOAN SIZE, GROSS DOLLAR	58180	61090	130000	100000	151350	138370	142410	128410				
STANDARD DEVIATION LOAN SIZE, SBA DOLLAR	58180	61090	130000	100000	151350	138370	142410	128410				
STD. DEVIATION LOAN SIZE, GROSS DOLLAR	58654	61375	107948	107948	241004	204546	239650	200916				
STD. DEVIATION LOAN SIZE, SBA DOLLAR	58654	61375	107948	107948	241004	204546	239650	200916				

ALL LOANS

GROUPED OR ACTUAL DATA	STUDY YEAR	ALL FYS	STUDY YEAR	ALL FYS	STUDY YEAR	ALL FYS	STUDY YEAR	ALL FYS	STUDY YEAR	ALL FYS	STUDY YEAR	ALL FYS
	-----DIRECT-----				-----I/P-----				-----TOTAL-----			
AVERAGE LOAN SIZE, GROSS DOLLAR	78093	80304	220000	155295	250626	225654	246311	214469				
AVERAGE LOAN SIZE, SBA DOLLAR	78093	80304	149974	109130	202877	184652	199755	176575				
STANDARD DEVIATION LOAN SIZE, GROSS DOLLAR	58180	61090	130000	100000	151350	138370	142410	128410				
STANDARD DEVIATION LOAN SIZE, SBA DOLLAR	58180	61090	130000	100000	151350	138370	142410	128410				
STD. DEVIATION LOAN SIZE, GROSS DOLLAR	58654	61375	107948	107948	241004	204546	239650	200916				
STD. DEVIATION LOAN SIZE, SBA DOLLAR	58654	61375	107948	107948	241004	204546	239650	200916				

Report Prepared: 03/09/93

SMALL BUSINESS ADMINISTRATION FINANCIAL ASSISTANCE PROGRAM AS OF SEPTEMBER 30, 1992

LOANS BY LOAN SIZE: SBA SHARE

7(A) LOANS: BUSINESS LOANS, EOL, ENERGY, VETS, HAL

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CLASS A

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

	DIRECT			I/P			DOLLARS IN THOUSANDS						TOTAL		
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	\$	SBA	NUMBER	\$	GROSS	%	\$	GROSS	%
O OR ERROR	173	1505	2	15	185	1980			360	0	3500	0	3500	0	3005
1-10000	1042	20573	9	288	2738	62539			5735	1491	83400	0	83400	0	73485
10001-25000	1928	82732	27	1380	996	10260			12115	12	539492	3	539492	3	470299
25001-50000	1118	102984	16	2500	2889	10456			11764	12	1852354	4	1852354	4	1741064
50001-75000	1771	253387	79	16498	11206	33468			35318	36	6695737	32	6695737	32	5696503
75001-100000	179	58917	11	4632	3447	17845			18025	19	7921457	38	7921457	38	6471139
100001-250000	1	510			4227	3542757			4228	4	3543267	17	3543267	17	2733918
250001-500000					18	20096			16375	18	20096	0	20096	0	16375
500001-750000															
MORE THAN 750000															
TOTALS: CLASS A, ALL FYS	7384	592970	182	28264	19862	89535			97101	99	20825201	100	20825201	100	17145696

FISCAL YEAR 1992 APPROVALS

	DIRECT			I/P			DOLLARS IN THOUSANDS						TOTAL		
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	\$	SBA	NUMBER	\$	GROSS	%	\$	GROSS	%
O OR ERROR	24	230			88	802			691	112	0	0	1032	0	921
1-10000	76	1509			850	19404			16316	926	4	20913	0	17825	0
10001-25000	155	6070			2707	121397			104168	2862	12	127467	2	110238	2
25001-50000	88	5721			2369	172670			148467	2457	11	178391	3	154188	3
50001-75000	88	6290			7424	248115			211648	7492	31	254405	27	1291038	28
75001-100000	158	23085		220	150	15338			1423736	4087	18	1746482	31	1426831	31
100001-250000	9	3085			2084	1766910			1360624	2084	9	1766910	31	1360624	30
250001-500000					23	27057			21962	23	0	27057	0	21962	0
500001-750000															
MORE THAN 750000															
TOTALS: CLASS A, CURRENT FY	576	44982	1	220	150	22459			4556427	23036	100	5674032	98	4601559	99

Report Prepared 03/09/93

PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION
TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING
& BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.

LOANS BY LOAN SIZE : SBA SHARE	SMALL BUSINESS ADMINISTRATION AGENCY UNIT PROGRAM FINANCIAL ASSIST. PROGRAM LOAN PROF. % AS OF SEPTEMBER 30, 1992	PAGE REPOP-
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OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

	---DIRECT---			I/P---			GUARANTY---			DOLLARS IN THOUSANDS			TOTAL---			
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	SBA	NUMBER	\$	GROSS	%	\$	SBA	%
0 OR ERROR																
1-10000																
10001-25000							25		482			25	0		482	0
25001-50000							295		12057			295	3		12057	0
50001-75000							779		49385			779	8		49385	2
75001-100000							885		77852			885	9		77852	3
100001-250000							4399		1736017			4399	44		1736017	30
250001-500000							3077		1528236			3077	51		1528236	40
500001-750000							587		312509			587	6		312509	15
750001-1000000							19		18373			19	3		18373	16
MORE THAN 750000																
TOTALS: CLASS B, ALL FYS							10064		2428657			10064	101		2428657	99

FISCAL YEAR 1992 APPROVALS

[illegible]

report prepared 03/09/93

PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION. TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING & BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.

SMALL BUSINESS ADMINISTRATION
FINANCIAL ASSISTANCE PROGRAM
LOAN PROFILES
AS OF SEPTEMBER 30, 1992

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CLAS 0

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

	DIRECT				I/P				DOLLARS IN THOUSANDS				TOTAL				
	NUMBER	%	GROSS	NUMBER	%	GROSS	\$ SBA	NUMBER	%	GROSS	\$ SBA	NUMBER	%	GROSS	\$ SBA	%	
O OR ERROR	173	1505	2	18	9	185	1980	1491	360	0	3500	0	0	3005	0	0	
1-10000	1042	20673	9	280	177	2783	63021	53217	3814	4	8382	0	73567	0	73567	0	
10001-25000	1828	72732	27	1380	996	10555	477437	408628	12410	12	4	551549	2	482356	2	482356	2
25001-50000	1272	82362	36	3200	2389	11235	816177	705698	12543	12	4	901739	4	790449	4	790449	4
50001-75000	1118	102984	18	2251	1638	11223	1138515	983138	12359	12	1243750	5	1087760	6	6362464	32	
75001-100000	1771	253387	79	16498	11206	37867	7161869	6097871	39717	37	7431754	32	9075809	39	7625445	39	
100001-250000	182	60417	11	4632	3447	20922	9010760	7561581	21115	20	5075809	39	7625445	39	7625445	39	
250001-500000	1	3000				48	37	38469	313498	38	0	352469	0	31738	0	31738	0
MORE THAN 750000																	
TOTALS: CLASS D, ALL FVS	7388	597470	182	28264	19862	99599	22632625	18961169	107169	101	23258359	99	19578501	99			

TOTALS: CLASS D, ALL FYS

FISCAL YEAR 1992 APPROVALS

	DIRECT				I/P				DOLLARS IN THOUSANDS				TOTAL			
	NUMBER	%	GROSS	NUMBER	%	GROSS	\$ SBA	NUMBER	%	GROSS	\$ SBA	NUMBER	%	GROSS	\$ SBA	%
O OR ERROR	24	230			88	802		591	112	0	1032	0	0	921	0	0
1-10000	76	1509			850	16316		16316	926	4	20913	0	0	17825	0	0
10001-25000	18	2070			2717	121815		104586	2872	11	127885	2	110556	2	110556	2
25001-50000	155	5721			2479	179772		155569	2567	10	185493	3	161290	3	161290	3
50001-75000	88	6070			2541	258536		220679	2609	10	264826	4	228359	4	228359	4
75001-100000	68	8290			8652	1670004	1409731	8809	35	1692291	27	1431948	27	1431948	27	1431948
100001-250000	156	22067	1	220	150	24468	6248497	5176093	25045	98	6293699	99	5221225	99	5221225	99
250001-500000	9	3085			4674	1951256	1631604	4683	19	1954351	31	1634699	31	1634699	31	1634699
500001-750000					2377	1957628	1551342	2377	9	1957628	30	1551342	30	1551342	30	1551342
MORE THAN 750000					90	89280		84185	90	0	89280				84185	2
TOTALS: CLASS O, CURRENT FY	576	44982	1	220	150	24468	6248497	5176093	25045	98	6293699	99	5221225	99	5221225	99

TOTALS: CLASS D, CURRENT FY

Report Prepared: 03/09/93

PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION
TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING
& BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.

LOANS BY INTEREST RATE, FIXED RATE LOANS
 SMALL BUSINESS ADMINISTRATION
 FINANCIAL ASSISTANCE PROGRAM
 7(A) LOANS: BUSINESS LOANS, EOL, ENERGY, VETS, HAL
 AS OF SEPTEMBER 30, 1992

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 CLASS A

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

ALL FYS

	-----DIRECT-----			-----I/P-----			DOLLARS IN THOUSANDS						-----TOTAL-----		
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	\$ SBA	NUMBER	\$	GROSS	\$ SBA	NUMBER	\$	GROSS	
FIXED RATE 0.001 - 3.000	4	362					8	1234	1092	12	0	1596	0	1454	
FIXED RATE 3.001 - 5.000	1239	147635	15	2616	1986	10	1736	1475	1352	4	152000	3	151137		
FIXED RATE 5.001 - 7.500	1265	197715	79	12850	8944	70	17136	14573	1422	5	127701	2	121232		
FIXED RATE 7.501 - 10.000	3326	237642	44	4656	3308	1274	834802	690354	7200	24	1077100	19	931304		
FIXED RATE 10.001 - 12.500	1118	79963	14	2607	1616	1270	2795764	2824377	13006	46	2878334	52	2365956		
FIXED RATE 12.501 - 15.000	366	23578	7	671	451	1077	1112676	925866	556	18	1138925	20	951895		
FIXED RATE OVER 15.000	62	3477				835	182913	158620	897	3	186390	3	162097		
ERROR OR NOT YET RECORDED							7	947	824	7	0	947	0	824	
TOTALS: CLASS A, ALL FYS	7380	592372	159	23400	16305	22619	4947221	4077222	30158	100	5562993	99	4685899	99	

FISCAL YEAR 1992 APPROVALS

CURRENT FY

	-----DIRECT-----			-----I/P-----			DOLLARS IN THOUSANDS			-----TOTAL-----				
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	SBA	NUMBER	\$	GROSS		
FIXED RATE 0.001 - 3.000	104	10890	1	220	150	2	837	711	107	0	11947	2	11751	
FIXED RATE 3.001 - 5.000	150						43	11271	9226	44	1	11421	2	9376
FIXED RATE 5.001 - 7.500	470	33842					2194	487465	397025	2664	82	521307	82	430867
FIXED RATE 7.501 - 10.000	1	100					447	90985	71859	448	14	91085	14	71959
FIXED RATE 10.001 - 12.500							1	160	106	1	0	160	0	106
FIXED RATE OVER 15.000											0	0	0	0
ERROR OR NOT YET RECORDED														
TOTALS: CLASS A, CURRENT FY	576	44982	1	220	150	2687	590718	478927	3264	100	635920	100	524059	100

Report Prepared: 03/09/93

PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION.
 LOANS MAY HAVE DIFFERENT CATEGORIES IN THIS REPORT THAN IN THE PREVIOUS REPORT. THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.
 & BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.

LOANS BY INTEREST RATE, FIXED RATE LOANS

503 AND 50 1A'S

SMALL BUSINESS ADMINISTRATION
AGENCY WIDE PROGRAM
FINANCIAL ASSISTANCE PROGRAM
LOAN PROGRAM
AS OF SEPTEMBER 30, 1992

KLPD

CLAS

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

ALL FYS

		DOLLARS IN THOUSANDS				TOTAL			
		DIRECT		I/P		GUARANTY			
		NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	\$ GROSS	%	%
FIXED RATE	0.001 - 3.000								
FIXED RATE	3.001 - 5.000								
FIXED RATE	5.001 - 7.500								
FIXED RATE	7.501 - 10.000								
FIXED RATE	10.001 - 12.500								
FIXED RATE	12.501 - 15.000								
FIXED RATE	OVER 15.000								
ERROR OR NOT YET RECORDED									
TOTALS: CLASS B, ALL FYS		9940	2397601	9940	2397249	9940	101	2397601	100

FISCAL YEAR 1993 APPROVALS

CURRENT FY

		DOLLARS IN THOUSANDS				TOTAL			
		DIRECT		I/P		GUARANTY			
		NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	\$ GROSS	%	%
FIXED RATE	0.001 - 3.000								
FIXED RATE	3.001 - 5.000								
FIXED RATE	5.001 - 7.500								
FIXED RATE	7.501 - 10.000								
FIXED RATE	10.001 - 12.500								
FIXED RATE	12.501 - 15.000								
FIXED RATE	OVER 15.000								
ERROR OR NOT YET RECORDED									
TOTALS: CLASS B, CURRENT FY		1597	512745	1597	512745	1597	84	512745	84

Report Prepared: 03/09/93

PERCENTAGES ARE ROUNDED. MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION
FORMS MAY VARY SLIGHTLY FROM REPORTS. OFFICIAL SBA FIGURES ARE REPORTED TO THE OFFICE OF PLANNING
& BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.

LOANS BY INTEREST RATE: FIXED RATE LOANS
EOL LOANS

SMALL BUSINESS ADMINISTRATION
AGENCY WIDE PROGRAM
FINANCIAL ASSISTANCE PROGRAM
LOAN PROFILES
AS OF SEPTEMBER 30, 1992

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CLASS C

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

ALL FYS

	-----DIRECT-----			-----I/P-----			DOLLARS IN THOUSANDS			-----TOTAL-----		
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	\$	SBA	NUMBER	\$	GROSS	%
FIXED RATE 0.001 - 3.000	6	738	1	15	14	6	170	63	1	0	70	0
FIXED RATE 3.001 - 7.500	211	9500	3	17	14	6	160	149	219	8	338	0
FIXED RATE 7.501 - 10.000	1552	93872	3	875	425	96	8187	6873	1540	53	7599	5
FIXED RATE 10.001 - 12.500	464	28160	2	675	425	96	8187	6873	1540	53	98616	63
FIXED RATE 12.501 - 15.000	106	6044	3	95	69	51	6037	4932	160	2	12176	8
FIXED RATE OVER 15.000	19	795				13	760	665	32	1	1555	1
ERROR OR NOT YET RECORDED												
TOTALS: CLASS C, ALL FYS	2359	136433	9	962	656	252	19978	16471	2620	99	157373	101

153560 100

FISCAL YEAR 1992 APPROVALS

CURRENT FY

	-----DIRECT-----			-----I/P-----			DOLLARS IN THOUSANDS			-----TOTAL-----		
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	\$	SBA	NUMBER	\$	GROSS	%
FIXED RATE 0.001 - 3.000	1	6							1	0	6	0
FIXED RATE 3.001 - 5.000										0	0	0
FIXED RATE 5.001 - 7.500										0	0	0
FIXED RATE 7.501 - 10.000	251	16743							251	100	16743	100
FIXED RATE 10.001 - 12.500										0	0	0
FIXED RATE 12.501 - 15.000										0	0	0
FIXED RATE OVER 15.000										0	0	0
ERROR OR NOT YET RECORDED												
TOTALS: CLASS C, CURRENT FY	252	16749							252	100	16749	100

Report Prepared: 03/09/93

PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION. TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING & BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.

LOANS BY INTEREST RATE: FIXED RATE LOANS
ALL LOANS

SMALL BUSINESS ADMINISTRATION
FINANCIAL ASSIST/ AGENCY WFOE PROGRAM
LOAN PROFIT S
AS OF SEPTEMBER 30, 1992

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

		DOLLARS IN THOUSANDS													
		DIRECT		I/P		GUARANTY		TOTAL							
		NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	\$ SBA	NUMBER	%	\$ GROSS	%	\$ SBA	%		
FIXED RATE	0.001 - 3.000	4	362			8	1234	1092	12	0	1596	0	1454	0	
FIXED RATE	3.001 - 5.000	1239	147925	15	2816	1986	896	1324	126	0	15000	2	151137	2	
FIXED RATE	5.001 - 7.500	3329	241643	79	18016	8946	570	120565	118013	1918	5	231630	3	225172	3
FIXED RATE	7.501 - 10.000	3329	241642	44	4656	3308	9945	2442887	2989189	13318	33	2689185	34	2543139	36
FIXED RATE	10.001 - 12.500	1118	79963	14	2607	1616	15514	3367559	2856059	16646	42	3450129	43	2937638	41
FIXED RATE	12.501 - 15.000	366	25578	7	671	451	5642	1221863	1035053	6015	15	1248112	16	1061082	15
FIXED RATE OVER 15.000		62	3477			858	187481	163188	920	2	190958	2	166665	2	
ERROR OR NOT YET RECORDED						9	1484	1361		0	1484	0	1361	0	
TOTALS: CLASS D, ALL FYS		7384	598872	159	23400	16305	32559	7344122	6474471	40102	100	7965094	100	7087648	99

FISCAL YEAR 1992 APPROVALS

FISCAL YEAR 1992 APPROVALS														CURRENT FY	
		DOLLARS IN THOUSANDS								TOTAL					
		DIRECT		I/P		GUARANTY									
		NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	%	\$ GROSS	%	\$ SBA	%		
FIXED RATE	0.001 - 3.000	104	10890	1	220	150	2	837	711	107	2	11947	1	11751	0
FIXED RATE	3.001 - 5.000	1	150			89	21564	19519	90	2	21714	2	19669	2	
FIXED RATE	5.001 - 7.500	470	33842			2539	577750	487310	3009	57	611592	49	521152	46	
FIXED RATE	7.501 - 10.000	1	100			447	90985	71859	448	8	51061	7	71933	6	
FIXED RATE	10.001 - 12.500					1	160	106	1	0	160	0	106	0	
FIXED RATE	12.501 - 15.000														
FIXED RATE OVER 15.000						1597	512745	512745	1597	30	512745	41	512745	45	
ERROR OR NOT YET RECORDED															
TOTALS: CLASS D, CURRENT FY		576	44982	1	220	150	4675	1204041	1092250	5252	100	1249243	100	1137382	100

Report Prepared: 03/09/93

PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION
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& BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.

LOANS BY VARIABLE RATES: PRIME PLUS
SMALL BUSINESS ADMINISTRATION
7(A) LOANS: BUSINESS LOANS, EOL, ENERGY, VETS, HAL
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AS OF SEPTEMBER 30, 1992

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CLASS A

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

	DIRECT				I/P				DOLLARS IN THOUSANDS				TOTAL			
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	NUMBER	\$	SBA	NUMBER	%	\$	GROSS	%
VAR. PRIME + 0.000 - 0.500	1	80	4058	60	4058	986050	809260	4059	6	995130	7	809320	7			
VAR. PRIME + 0.501 - 1.000	6	1193	589	851	179625	1356024	589	4	52430	12	1356894	11	5			
VAR. PRIME + 1.001 - 1.500	5	993	238	15812	3783659	3087508	1582	9	3785922	25	3089165	25	10			
VAR. PRIME + 1.501 - 2.000	10	2263	8517	1530147	1254955	8517	13	1530147	10	1254955	10	1254955	10			
VAR. PRIME + 2.001 - 2.250			6742	1578058	1288080	6742	10	1578058	10	1288080	10	1288080	10			
VAR. PRIME + 2.251 - 2.500	1	370	21261	4544200	3774296	21262	32	4544200	30	3774296	31	4544200	31			
VAR. PRIME + 2.501 - 2.750			1013	155829	124666	1013	0	155829	0	124666	0	124666	0			
ERROR OR NOT YET RECORDED	4	598														
TOTALS: CLASS A, ALL FYS	4	598	23	4864	3558	65628	15029055	12269002	65655	100	15034517	100	12273158	100		

FISCAL YEAR 1992 APPROVALS

	DIRECT				I/P				DOLLARS IN THOUSANDS				TOTAL			
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	NUMBER	\$	SBA	NUMBER	%	\$	GROSS	%
VAR. PRIME + 0.000 - 0.500				1814	572585	460413	1814	9	572585	12	460413	11				
VAR. PRIME + 0.501 - 1.000				424	153856	120653	424	2	153856	3	120653	3				
VAR. PRIME + 1.001 - 1.500				1159	412464	327984	1159	6	412464	8	327984	8				
VAR. PRIME + 1.501 - 2.000				4152	1122332	902596	4152	21	1122332	21	902596	21				
VAR. PRIME + 2.001 - 2.250				2108	560515	455612	2108	11	560515	11	455612	11				
VAR. PRIME + 2.251 - 2.500				6110	1506823	1231634	6110	32	1506823	30	1231634	31				
VAR. PRIME + 2.501 - 2.750				483	63428	50933	483	2	63428	1	50933	1				
ERROR OR NOT YET RECORDED																
TOTALS: CLASS A, CURRENT FY				19369	4963050	4016674	19369	99	4963050	100	4016674	99				

Report Prepared: 03/09/93

PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION. TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING & BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.

SMALL BUSINESS ADMINISTRATION

LOANS BY VARIABLE RATES: PRIME PLUS

AGENCY WIDE

FINANCIAL ASSISTANCE PROGRAM

LOAN PR

-ES

AS OF SEPTEMBER 30, 1992

MCPD:

CLA.

B

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

ALL FYS

	DIRECT		I/P		DOLLARS IN THOUSANDS		GUARANTY		TOTAL			
	NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	\$ SBA	NUMBER	%	\$ GROSS	%		
VAR. PRIME + 0.000 - 0.500					69	15124	15124	49	57	15124	49	
VAR. PRIME + 0.501 - 1.000					5	1845	1845	6	5	1845	6	
VAR. PRIME + 1.001 - 1.500					14	4576	4576	15	12	4576	15	
VAR. PRIME + 1.501 - 2.000					17	5004	5004	16	14	5004	16	
VAR. PRIME + 2.001 - 2.250					2	582	582	2	2	582	2	
VAR. PRIME + 2.251 - 2.500					10	2228	2228	7	8	2228	7	
VAR. PRIME + 2.501 - 2.750					1	224	224	1	1	224	1	
VAR. PRIME + 2.751 - 3.000					2	736	736	2	2	736	2	
ERROR OR NOT YET RECORDED												
TOTALS: CLASS B, ALL FYS			121	30569	30569		121	100	30569	99	30569	99

FISCAL YEAR 1992 APPROVALS

CURRENT FY

	DIRECT		I/P		DOLLARS IN THOUSANDS		GUARANTY		TOTAL			
	NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	\$ SBA	NUMBER	%	\$ GROSS	%		
VAR. PRIME + 0.000 - 0.500					16	3884	3884	16	80	3884	69	
VAR. PRIME + 0.501 - 1.000											0	
VAR. PRIME + 1.001 - 1.500					3	1488	1488	3	15	1488	27	
VAR. PRIME + 1.501 - 2.000											0	
VAR. PRIME + 2.001 - 2.250					1	222	222	1	5	222	4	
VAR. PRIME + 2.251 - 2.500											0	
VAR. PRIME + 2.501 - 2.750											0	
VAR. PRIME + 2.751 - 3.000											0	
ERROR OR NOT YET RECORDED											0	
TOTALS: CLASS B, CURRENT FY			20	5594	5594		20	100	5594	100	5594	100

Report Prepared 03/09/93

PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION.
 TOTALS MAY VARY FROM PREVIOUS REPORTS BECAUSE OF RECLASSIFICATION OF LOANS REPORTED BY THE OFFICE OF PLANNING
 & BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR

LOANS BY VARIABLE RATES: PRIME PLUS
EOL LOANS

SMALL BUSINESS ADMINISTRATION
FINANCIAL ASSISTANCE PROGRAM
LOAN REPAYMENTS
AS OF SEPTEMBER 30, 1992

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CLASS C

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

	---DIRECT---				I/P---				DOLLARS IN THOUSANDS				---TOTAL---			
	NUMBER	%	GROSS	\$ SBA	NUMBER	%	GROSS	\$ SBA	NUMBER	%	GROSS	\$ SBA	NUMBER	%	GROSS	\$ SBA
VAR. PRIME + 0.000 - 0.500					269		29890	24606	269		38	28890	24		24606	25
VAR. PRIME + 0.501 - 1.000					27		26039	18173	27		11	26036	2		18179	19
VAR. PRIME + 1.001 - 1.500					168		31171	25881	168		24	31171	26		25881	26
VAR. PRIME + 1.501 - 2.000					42		5255	4541	42		6	5255	4		4541	5
VAR. PRIME + 2.001 - 2.250					25		4961	4303	25		4	4961	4		4303	4
VAR. PRIME + 2.251 - 2.500					90		18275	14918	90		13	18275	15		14918	15
VAR. PRIME + 2.501 - 2.750					2		188	160	2		0	188	0		160	0
ERROR OR NOT YET RECORDED																
TOTALS: CLASS C, ALL FYS					700		122153	98031	700		100	122153	99		98031	100

FISCAL YEAR 1992 APPROVALS

	---DIRECT---				I/P---				DOLLARS IN THOUSANDS				---TOTAL---			
	NUMBER	%	GROSS	\$ SBA	NUMBER	%	GROSS	\$ SBA	NUMBER	%	GROSS	\$ SBA	NUMBER	%	GROSS	\$ SBA
VAR. PRIME + 0.000 - 0.500																
VAR. PRIME + 0.501 - 1.000																
VAR. PRIME + 1.001 - 1.500																
VAR. PRIME + 1.501 - 2.000																
VAR. PRIME + 2.001 - 2.250																
VAR. PRIME + 2.251 - 2.500																
VAR. PRIME + 2.501 - 2.750																
VAR. PRIME + 2.751 - 3.000																
ERROR OR NOT YET RECORDED																
TOTALS: CLASS C, CURRENT FY																

Report Prepared: 03/09/93

PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION. TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING & BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.

LOANS BY VARIABLE RATES: PRIME PLUS
ALL LOANS

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

	---DIRECT---			I/P-			DOLLARS IN THOUSANDS			---TOTAL---		
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	GROSS
VAR. PRIME + 0.000 - 0.500	1	80	60	4127	1011174	824384	4128	6	1011234	7	824444	7
VAR. PRIME + 0.501 - 1.000	6	1153	851	2393	986633	55578	2399	4	693786	5	556729	5
VAR. PRIME + 1.001 - 1.500	5	998	690	5831	1748901	1400780	5836	9	1748999	12	1401720	31
VAR. PRIME + 1.501 - 2.000	10	2263	1657	18229	3789679	3257187	18230	13	3789679	16	3257187	10
VAR. PRIME + 2.001 - 2.500	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 2.501 - 2.750	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 2.751 - 3.000	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 3.001 - 3.250	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 3.251 - 3.500	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 3.501 - 3.750	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 3.751 - 4.000	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 4.001 - 4.250	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 4.251 - 4.500	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 4.501 - 4.750	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 4.751 - 5.000	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 5.001 - 5.250	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 5.251 - 5.500	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 5.501 - 5.750	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 5.751 - 6.000	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 6.001 - 6.250	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 6.251 - 6.500	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 6.501 - 6.750	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 6.751 - 7.000	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 7.001 - 7.250	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 7.251 - 7.500	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 7.501 - 7.750	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 7.751 - 8.000	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 8.001 - 8.250	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 8.251 - 8.500	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 8.501 - 8.750	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 8.751 - 9.000	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 9.001 - 9.250	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 9.251 - 9.500	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 9.501 - 9.750	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 9.751 - 10.000	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 10.001 - 10.250	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 10.251 - 10.500	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 10.501 - 10.750	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 10.751 - 11.000	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 11.001 - 11.250	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 11.251 - 11.500	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 11.501 - 11.750	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 11.751 - 12.000	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 12.001 - 12.250	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 12.251 - 12.500	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 12.501 - 12.750	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 12.751 - 13.000	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 13.001 - 13.250	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 13.251 - 13.500	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 13.501 - 13.750	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 13.751 - 14.000	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 14.001 - 14.250	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 14.251 - 14.500	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 14.501 - 14.750	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 14.751 - 15.000	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 15.001 - 15.250	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 15.251 - 15.500	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 15.501 - 15.750	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 15.751 - 16.000	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 16.001 - 16.250	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 16.251 - 16.500	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 16.501 - 16.750	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 16.751 - 17.000	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 17.001 - 17.250	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 17.251 - 17.500	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 17.501 - 17.750	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 17.751 - 18.000	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 18.001 - 18.250	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 18.251 - 18.500	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 18.501 - 18.750	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 18.751 - 19.000	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 19.001 - 19.250	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 19.251 - 19.500	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 19.501 - 19.750	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 19.751 - 20.000	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 20.001 - 20.250	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 20.251 - 20.500	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 20.501 - 20.750	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 20.751 - 21.000	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 21.001 - 21.250	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 21.251 - 21.500	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 21.501 - 21.750	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 21.751 - 22.000	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 22.001 - 22.250	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 22.251 - 22.500	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 22.501 - 22.750	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 22.751 - 23.000	1	370	300	1580286	1290308	6752	10	1580286	10	1290308	10	1295387
VAR. PRIME + 23.001 - 23.250	1	370	300	1580286	1290308	67						

FISCAL YEAR 1992 APPROVALS

[illegible]

Report Prepared: 03/09/93

PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING AND OPERATIONS BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.

LOANS BY VARIABLE RATES: SBA OPTIONAL PEG RATE
 FINANCIAL ASSISTANCE PROGRAM
 AS OF SEPTEMBER 30, 1992

PAGE 32
 REPORT B
 CLASS C

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

ALL FYS

DOLLARS IN THOUSANDS									
-----DIRECT-----					-----I/P-----				
NUMBER	\$	GROSS	NUMBER	\$	NUMBER	\$	GROSS	NUMBER	\$
-----TOTAL-----					-----TOTAL-----				
VAR. SBA + 0.000 - 0.500									
VAR. SBA + 0.501 - 1.000									
VAR. SBA + 1.001 - 1.500									
VAR. SBA + 1.501 - 2.000									
VAR. SBA + 2.001 - 2.500									
VAR. SBA + 2.501 - 2.750									
VAR. SBA + 2.751 - 2.999									
VAR. SBA + 2.501 - 2.750									
VAR. SBA + > 2.750									
ERROR OR NOT YET RECORDED									
TOTALS: CLASS C, ALL FYS	2	400	348	2	100	400	100	348	100

FISCAL YEAR 1992 APPROVALS

CURRENT FY

DOLLARS IN THOUSANDS									
-----DIRECT-----					-----I/P-----				
NUMBER	\$	GROSS	NUMBER	\$	NUMBER	\$	GROSS	NUMBER	\$
-----TOTAL-----					-----TOTAL-----				
VAR. SBA + 0.000 - 0.500									
VAR. SBA + 0.501 - 1.000									
VAR. SBA + 1.001 - 1.500									
VAR. SBA + 1.501 - 2.000									
VAR. SBA + 2.001 - 2.250									
VAR. SBA + 2.251 - 2.500									
VAR. SBA + 2.501 - 2.750									
VAR. SBA + > 2.750									
ERROR OR NOT YET RECORDED									
TOTALS: CLASS C, CURRENT FY									

Report Prepared: 03/09/93

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LOANS BY VARIABLE RATES: SBA OPTIONAL PEG RATE
 FINANCIAL ASSIST. PROGRAM
 ALL LOANS
 AS OF SEPTEMBER 30, 1992

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

DOLLARS IN THOUSANDS										
DIRECT			I/P			GUARANTY			TOTAL	
NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	GROSS	%	%
VAR. SBA + 0.000 - 0.600	37	7680	6296	37	3	3	7680	3	6296	3
VAR. SBA + 0.601 - 1.000	35	11732	9823	35	3	3	11732	5	9823	5
VAR. SBA + 1.001 - 1.500	136	35384	28628	136	11	11	35384	16	28628	15
VAR. SBA + 1.501 - 2.000	503	93540	75381	503	39	39	93540	41	75381	40
VAR. SBA + 2.001 - 2.500	438	10388	8699	438	14	14	10388	14	8699	14
VAR. SBA + 2.501 - 2.750	210	42998	32201	210	8	8	42998	16	32201	17
VAR. SBA + 2.751 - 2.999	210	35545	29383	210	16	16	35545	16	29383	16
VAR. SBA + 2.501 - 2.750	2	140	126	2	0	0	140	0	126	0
ERROR OR NOT YET RECORDED										
TOTALS CLASS D. ALL FYS	1291	228180	187129	1291	100	100	228180	100	187129	100

FISCAL YEAR 1992 APPROVALS

DOLLARS IN THOUSANDS										
DIRECT			I/P			GUARANTY			TOTAL	
NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	GROSS	%	%
VAR. SBA + 0.000 - 0.500			15	3664		15	4	3664	5	2896
VAR. SBA + 0.501 - 1.000			16	5375		16	4	5375	7	3965
VAR. SBA + 1.001 - 1.500			50	15084		50	12	15084	20	11916
VAR. SBA + 1.501 - 2.000			122	23854		122	30	23854	31	19491
VAR. SBA + 2.001 - 2.500			95	10388		95	24	10388	14	8699
VAR. SBA + 2.501 - 2.750			23	2652		23	6	2652	3	2278
VAR. SBA + 2.751 - 2.999			76	14597		76	19	14597	19	12151
VAR. SBA + 2.501 - 2.750			7	199		7	2	199	0	179
ERROR OR NOT YET RECORDED							0		0	0
TOTALS: CLASS D. CURRENT FY										
			404	75813		404	101	75813	99	61575
										100

Report Prepared 03/09/93

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 & BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR

CURRENT FY

WALLS
 REPT
 CLASS
 D

ALL FYS

LOANS BY SIC CODE	SMALL BUSINESS ADMINISTRATION	AGENCY WIDE	PROGRAM	CLASS
7(A) LOAN	FINANCIAL ASSETS	LOANS	ALL	ALL FVS
	ED., ENERGY, VETS, HAL			
	AS OF SEPTEMBER 30, 1992			
OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR				

LOANS BY SIC CODE
 SMALL BUSINESS ADMINISTRATION
 FINANCIAL ASSISTANCE PROGRAM
 LOAN PROFILES
 AS OF SEPTEMBER 30, 1992

PAGE 36
 REPORT 9
 CLASS 8

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

	-----DIRECT-----				-----I/P-----				DOLLARS IN THOUSANDS				TOTAL			
	NUMBER	\$	GROSS	NUMBER	\$	SBA	NUMBER	\$	GUARANTY	NUMBER	%	\$	GROSS	%	\$	SBA
01-09 AGRICULTURE																
10-14 MINING	163	32345		163	32345		163	2	32345	1	2	32345	1	2	32346	1
15-17 CONSTRUCTION	15	3593		15	3593		15	0	3593	0	0	3593	0	0	3593	0
20-39 MANUFACTURING	484	91893		484	91893		484	5	91893	4	5	91893	4	5	91893	4
40-49 TRANSPORTATION	2704	703812		2704	703812		2704	27	703812	29	27	703812	29	27	703756	29
50-51 WHOLESALE TRADE	251	71757		251	71757		251	2	71757	3	2	71757	3	2	71757	3
52-59 RETAIL TRADE	1286	327528		1286	327528		1286	13	327528	13	13	327528	13	13	327528	13
60-67 FINANCE, INS., REAL EST.	24872	565858		24872	565858		24872	23	565858	23	23	565858	23	23	565858	23
70-89 SERVICES	127	24872		127	24872		127	1	24872	1	1	24872	1	1	24872	1
90-99 NONCLASSIFIABLE	2604	592308		2604	592308		2604	26	592308	24	26	592308	24	26	592308	24
NONE OF THE ABOVE	32	7114		32	7114		32	0	7114	0	0	7114	0	0	7114	0
TOTALS: CLASS B, ALL FYS	10064	2428659		10064	2428659		10064	99	2428659	98	99	2428659	98	99	2428307	98

FISCAL YEAR 1992 APPROVALS

	-----DIRECT-----				-----I/P-----				DOLLARS IN THOUSANDS				TOTAL			
	NUMBER	\$	GROSS	NUMBER	\$	SBA	NUMBER	\$	GUARANTY	NUMBER	%	\$	GROSS	%	\$	SBA
01-09 AGRICULTURE																
10-14 MINING	39	9392		39	9392		39	2	9392	2	2	9392	2	2	9392	2
15-17 CONSTRUCTION	3	898		3	898		3	0	898	0	0	898	0	0	898	0
20-39 MANUFACTURING	94	21226		94	21226		94	5	21226	3	5	21226	3	5	21226	3
40-49 TRANSPORTATION	483	156951		483	156951		483	24	156951	25	24	156951	25	24	156951	25
50-51 WHOLESALE TRADE	71	21891		71	21891		71	4	21891	4	4	21891	4	4	21891	4
52-59 RETAIL TRADE	240	76119		240	76119		240	12	76119	12	12	76119	12	12	76119	12
60-67 FINANCE, INS., REAL EST.	428	13143		428	13143		428	21	13143	21	21	13143	21	21	13143	21
70-89 SERVICES	593	192766		593	192766		593	30	192766	31	30	192766	31	30	192766	31
90-99 NONCLASSIFIABLE	5	1783		5	1783		5	0	1783	0	0	1783	0	0	1783	0
NONE OF THE ABOVE	1	289		1	289		1	0	289	0	0	289	0	0	289	0
TOTALS: CLASS B, CURRENT FY	2009	619667		2009	619667		2009	100	619667	99	100	619667	99	100	619667	99

Report Prepared: 03/09/93

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LOANS BY SIC CODE
EOL LOANS
SMALL BUSINESS ADMINISTRATION
AGRICULTURE PROGRAM
FINANCIAL ASSISTANCE PROGRAM
LOAN PRO. -ES
AS OF SEPTEMBER 30, 1992

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

	DIRECT				I/P				DOLLARS IN THOUSANDS				TOTAL			
	NUMBER	\$	GROSS	NUMBER	\$	SBA	NUMBER	\$	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$
01-09 AGRICULTURE	80	6821		12	1280		1096		92	3	8101	3	7917		3	
10-14 MINING	1	120			625		535		4	0	745	0	655		0	
15-17 CONSTRUCTION	103	7271	1	575	350		2310		131	4	10605	4	9931		4	
20-39 MANUFACTURING	181	11803			100		22214		281	8	33817	12	29830		12	
40-49 TRANSPORTATION	103	6049	1	15	14	26	4791		130	4	10855	4	10003		4	
50-51 WHOLESALE TRADE	104	5467	4	147	51	10269	8214		159	5	17478	6	15423		6	
52-59 RETAIL TRADE	104	5467	4	147	51	10269	8214		159	5	17478	6	15423		6	
60-67 FINANCE, INS., REAL EST.	19	1310			4	128	117		23	1	1438	1	9429		36	
70-89 SERVICES	710	40672	3	225	176	312	50831		1025	31	91728	33	79597		32	
99 NONCLASSIFIABLE	6	343							8	0	343	0	535		0	
NONE OF THE ABOVE	7	359			1	195	176		8	0	554	0	535		0	
TOTALS: CLASS C, ALL FYS	2359	136434	9	962	656	954	142532		3322	100	275928	100	251940		100	

FISCAL YEAR 1992 APPROVALS

	DIRECT				I/P				DOLLARS IN THOUSANDS				TOTAL			
	NUMBER	\$	GROSS	NUMBER	\$	SBA	NUMBER	\$	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$
01-09 AGRICULTURE	17	1603							17	7	1603	10	1603		10	
10-14 MINING	1	120							1	0	120	1	120		1	
15-17 CONSTRUCTION	11	748							11	4	748	4	748		4	
20-39 MANUFACTURING	22	1670							22	9	1670	10	1670		10	
40-49 TRANSPORTATION	12	1030							12	5	1030	6	1030		6	
50-51 WHOLESALE TRADE	9	595							9	4	595	4	595		4	
52-59 RETAIL TRADE	97	5431							97	38	5431	33	5471		32	
60-67 FINANCE, INS., REAL EST.									1	0	71	0	5471		32	
70-89 SERVICES	82	5418							82	33	5418	32	5418		32	
99 NONCLASSIFIABLE									0	0	0	0	0		0	
NONE OF THE ABOVE									0	0	0	0	0		0	
TOTALS: CLASS C, CURRENT FY	252	16749							252	100	16749	100	16749		100	

Report Prepared: 03/09/93

PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION. TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING & BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.

PAUL
REPC
CLASS
C

SMALL BUSINESS ADMINISTRATION
AGRICULTURE, TRADE PROGRAM
FINANCIAL ASSISTANCE
LOAN PROFILES
AS OF SEPTEMBER 30, 1992

LOANS BY SIC CODE
ALL LOANS

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CLASS 0

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

ALL FYS

	DIRECT				I/P				DOLLARS IN THOUSANDS				TOTAL			
	NUMBER	\$	GROSS	%	NUMBER	\$	GROSS	%	NUMBER	\$	GROSS	%	NUMBER	\$	GROSS	%
01-09 AGRICULTURE	266	22627	9	1114	836	2854	551506	466567	3129	3	575037	2	480030	3		
10-14 MINING	13	1700				103425	83479	366	0	105125	0	85179	0			
15-17 CONSTRUCTION	295	23352	3	801	519	4819	1019523	850596	5117	5	1043676	4	874467	4		
20-39 MANUFACTURING	698	64400	17	2185	1564	16092	4490444	3746613	16807	16	4557029	20	3812577	19		
40-49 TRANSPORTATION	281	19594	16	695	1500	2661	705099	584428	2928	3	725388	3	604522	3		
50-51 WHOLESALE TRADE	2709	185199	51	1677	1148	9508	2335402	2118735	2928	9	2570258	11	2153062	11		
52-59 RETAIL TRADE	2709	185199	51	1677	1148	9508	2335402	2118735	2928	9	2570258	11	2153062	11		
60-67 FINANCE, INS., REAL EST.	84	10675	2	285	214	31143	240260	300821	1239	31	6956179	30	5832884	30		
70-89 SERVICES	2607	231515	84	14806	10302	30035	6709858	5591067	32746	31	6956179	30	5832884	30		
99 NONCLASSIFIABLE	27	2488				161	84174	69871	409	0	86662	0	72359	0		
NONE OF THE ABOVE	34	2747				382	84174	69871	195	0	41664	0	36559	0		
TOTALS: CLASS D, ALL FYS	7388	597470	182	28264	19863	95599	22632624	18961170	107169	100	23258358	98	19578503	99		

FISCAL YEAR 1992 APPROVALS

CURRENT FY

	DIRECT				I/P				DOLLARS IN THOUSANDS				TOTAL			
	NUMBER	\$	GROSS	%	NUMBER	\$	GROSS	%	NUMBER	\$	GROSS	%	NUMBER	\$	GROSS	%
01-09 AGRICULTURE	32	3009			872	195457	164937	904	4	198456	3	167946	3			
10-14 MINING	34	2610			1472	310190	257191	1506	6	312710	5	259801	5			
15-17 CONSTRUCTION	34	2610			1472	310190	257191	1506	6	312710	5	259801	5			
20-39 MANUFACTURING	51	4613	1	220	3979	1257877	1033930	4031	16	1262660	20	1038693	20			
40-49 TRANSPORTATION	23	1734			804	218168	178246	827	3	219902	3	179980	3			
50-51 WHOLESALE TRADE	33	2757			2385	734441	602753	2418	10	737198	12	605510	12			
52-59 RETAIL TRADE	196	13528			6956	1442810	1215498	7152	29	1456338	23	1253264	24			
60-67 FINANCE, INS., REAL EST.	195	16357			7524	1993948	1643510	7793	31	201025	32	1659768	32			
70-89 SERVICES	1	50			11	1653	1433	11	0	1653	0	1433	0			
99 NONCLASSIFIABLE																
NONE OF THE ABOVE																
TOTALS: CLASS D, CURRENT FY	576	44982	1	220	150	24468	6248496	5176094	25045	100	6293698	99	5221226	100		

Report Prepared: 03/09/93

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TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING
& BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.

LOANS BY CURRENT REGION
 SMALL BUSINESS ADMINISTRATION
 FINANCIAL ASSETS
 7(A) LOAN BUSINESS LOANS, EDL, ENERGY, VETS, IAL
 AS OF SEPTEMBER 30, 1992

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

	---DIRECT				I/P				DOLLARS IN THOUSANDS				TOTAL				
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	\$	SBA	NUMBER	\$	GROSS	\$	NUMBER	%	\$	%	
REGION 01-BOSTON	392	32273	10	1436	1052	5387	1057954	858352	5789	6	1091663	5	831677	5			
REGION 02-NEW YORK	1628	100840	14	2438	1506	7705	1503176	1231893	9347	10	1606454	8	1334239	8			
REGION 03-PHILADELPHIA	428	38878	18	3434	2269	3532	765056	623861	3978	4	807366	4	665006	4			
REGION 04-ATLANTA	1306	103841	25	3445	2312	10600	2746899	2239133	11931	12	2856185	14	2347286	14			
REGION 05-CHICAGO	966	92885	62	9601	8902	11537	2675139	2173568	12475	13	2768725	13	2284455	13			
REGION 06-DALLAS	982	92885	62	9601	8902	11537	2675139	2173568	12475	13	2768725	13	2284455	13			
REGION 07-KANSAS CITY	365	31333	31	3719	2754	9799	1561983	1288808	10195	10	1597039	8	1322895	8			
REGION 08-DENVER	335	28401	20	3606	2616	8621	164809	1351948	8976	9	1680516	8	1382965	8			
REGION 09-SAN FRANCISCO	698	61781	1	215	150	5592	16320	4668059	3818339	17019	18	4730155	23	3880370	23		
REGION 10-SEATTLE	373	32674	1						5965	6	1193400	6	1003935	5			
OTHER-ERROR	1		14						1	0		14	0	14	0		
TOTALS: CLASS A, ALL FYS	7384	592971	182	28264	19861	89535	20203967	16532863	97101	100	20825202	101	17145695	101			

FISCAL YEAR 1992 APPROVALS

FISCAL YEAR 1992 APPROVALS																
	-----DIRECT-----			-----I/P-----			DOLLARS IN THOUSANDS			-----TOTAL-----			CURRENT FY			
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	\$	SBA	NUMBER	\$	GROSS	%		\$	SBA	
REGION 01-BOSTON	34	3286					1628	373165	299375	1662	7	376451	7	302661	7	
REGION 02-NEW YORK	180	11580					2076	417186	340682	2256	10	428766	8	352262	8	
REGION 03-PHILADELPHIA	36	3232					1065	240762	195838	1101	5	243994	4	199070	4	
REGION 04-ATLANTA	138	11518					2608	747190	604852	2746	12	758708	13	616370	13	
REGION 05-CHICAGO	24	2671	1	220	150		2483	647953	521898	2508	11	651644	11	524719	11	
REGION 06-DALLAS	31	2151					2999	749481	509580	2030	10	251627	7	215627	7	
REGION 07-KANSAS CITY	24	1976					1883	405082	328995	2007	9	407058	7	330971	7	
REGION 08-DENVER	35	2851					4026	1356833	1086750	4061	18	1359684	24	1089601	24	
REGION 09-SAN FRANCISCO	31	2522					1352	303546	250101	1383	6	310684	5	252623	5	
REGION 10-SEATTLE																
OTHER-ERROR																
TOTALS: CLASS A, CURRENT FY	576	44982	1	220	150	22459	5628830	4556428	23036	101	567032	99	4601560	99	4601560	

Report Prepared: 03/09/93

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LOANS BY CURRENT REGION
503 AND 504 LOANS
SMALL BUSINESS ADMINISTRATION
AGENCY WIDE
FINANCIAL ASSISTANCE PROGRAM
LOAN PROFILES
AS OF SEPTEMBER 30, 1992

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CLASS B

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

	-----DIRECT-----			-----I/P-----			DOLLARS IN THOUSANDS			-----TOTAL-----		
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	SBA	NUMBER	\$	GROSS
REGION 01-BOSTON							775			223486		9
REGION 02-NEW YORK							508			123486		223486
REGION 03-PHILADELPHIA							106941			106941		6
REGION 04-ATLANTA							421			106941		6
REGION 05-CHICAGO							1334			298013		12
REGION 06-DALLAS							2331			530131		22
REGION 07-KANSAS CITY							523			111119		5
REGION 08-DENVER							1040			195455		8
REGION 09-SAN FRANCISCO							1805			521635		21
REGION 10-SEATTLE							688			167138		7
OTHER-ERROR												
TOTALS: CLASS B, ALL FYS							10064			2428658		100
										2428658		100

FISCAL YEAR 1992 APPROVALS

	-----DIRECT-----			-----I/P-----			DOLLARS IN THOUSANDS			-----TOTAL-----		
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	SBA	NUMBER	\$	GROSS
REGION 01-BOSTON							125			38099		6
REGION 02-NEW YORK							102			38099		6
REGION 03-PHILADELPHIA							116			37121		6
REGION 04-ATLANTA							304			84613		14
REGION 05-CHICAGO							374			109345		18
REGION 06-DALLAS							120			37976		6
REGION 07-KANSAS CITY							157			43487		7
REGION 08-DENVER							333			123062		20
REGION 09-SAN FRANCISCO							158			47729		8
REGION 10-SEATTLE												
OTHER-ERROR												
TOTALS: CLASS B, CURRENT FY							2009			619667		101
										619667		101

Report Prepared: 03/09/93

PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION. TOTALS MAY VARY SLIGHTLY FROM TOTALS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING & BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.

LOANS BY CURRENT REGION
EDL LOANS

SMALL BUSINESS ADMINISTRATION
AGENCY WIDE
FINANCIAL ASSISTANCE PROGRAM
FISCAL YEAR 1992
AS OF SEPTEMBER 30, 1992

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

	DIRECT				I/P				DOLLARS IN THOUSANDS				TOTAL			
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	\$	SBA	NUMBER	\$	GROSS	\$	NUMBER	\$	GROSS	\$
REGION 01-BOSTON	40	1866	1	80	60	10	313	280	51	2	2259	1	2259	1	2206	1
REGION 02-NEW YORK	953	48991	2	15	9	601	95760	75616	1556	47	14466	52	124316	49	124316	49
REGION 03-PHILADELPHIA	71	3995				33	4756	4227	104	3	8751	3	8222	3	8222	3
REGION 04-ATLANTA	442	30879	2	145	118	17	2504	1560	461	14	33528	12	32555	13	32555	13
REGION 05-CHICAGO	176	11229	3	707	457	109	16556	14044	287	9	28492	10	25730	10	25730	10
REGION 06-DALLAS	335	20248				70	9652	8079	405	12	29900	11	28327	11	28327	11
REGION 07-KANSAS CITY	34	2370	1	15	14	15	7033	5913	75	2	8865	3	7746	3	7746	3
REGION 08-KANSAS CITY	34	2370				45	7033	5913	75	2	8865	3	7746	3	7746	3
REGION 09-SAN FRANCISCO	169	9829				38	3679	3213	207	6	13608	5	13142	5	13142	5
REGION 10-SEATTLE	89	5379				16	1348	1171	105	3	6727	2	6550	3	6550	3
OTHER-ERROR	1	14							1	0	14	0	14	0	14	0
TOTALS: CLASS C, ALL FYS	2359	136432	9	962	656	954	142533	114849	3322	100	279927	100	251937	99	251937	99

FISCAL YEAR 1992 APPROVALS

	DIRECT				I/P				DOLLARS IN THOUSANDS				TOTAL			
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	\$	SBA	NUMBER	\$	GROSS	\$	NUMBER	\$	GROSS	\$
REGION 01-BOSTON	1	80							1	0	60	0	60	0	60	0
REGION 02-NEW YORK	134	8460							134	53	8265	49	8265	49	8265	49
REGION 03-PHILADELPHIA	1	40							1	0	40	0	40	0	40	0
REGION 04-ATLANTA	65	5034							65	26	5034	30	5034	30	5034	30
REGION 05-CHICAGO	5	385							5	2	385	2	385	2	385	2
REGION 06-DALLAS	17	1378							17	4	1378	6	1378	6	1378	6
REGION 07-KANSAS CITY	10	304							10	4	304	2	304	2	304	2
REGION 08-KANSAS CITY	7	455							7	3	455	3	455	3	455	3
REGION 09-SAN FRANCISCO	12	828							12	5	828	5	828	5	828	5
REGION 10-SEATTLE																
OTHER-ERROR																
TOTALS: CLASS C, CURRENT FY	252	16749							252	100	16749	99	16749	99	16749	99

Report Prepared: 03/09/93

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LOANS BY CURRENT REGION
ALL LOANS

SMALL BUSINESS ADMINISTRATION
FINANCIAL ASSISTANCE PROGRAM
CAPITAL LINES
AS OF SEPTEMBER 30, 1992

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OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

	DIRECT			I/P			DOLLARS IN THOUSANDS						TOTAL		
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	\$	SBA	NUMBER	\$	GROSS	%	\$	SBA	%
REGION 01-BOSTON	392	32273	10	1436	1052	6162	1281440	1091838	6564	6	1315149	6	1115163	6	
REGION 02-NEW YORK	1628	100540	10	2436	2269	3553	843516	1701891	4885	9	1464533	8	1474237	8	
REGION 03-PHILADELPHIA	428	38876	18	3434	2769	3553	843516	1701891	4885	9	1464533	8	1474237	8	
REGION 04-ATLANTA	1309	109841	25	3445	2312	1934	3044912	2536840	13268	12	3158198	14	2648993	14	
REGION 05-CHICAGO	876	83985	62	9601	6902	13868	3205270	2703700	14806	14	3298856	14	2794537	14	
REGION 06-DALLAS	982	76953	31	370	300	10965	2527485	2086818	11948	11	2604808	11	2164071	11	
REGION 07-KANSAS CITY	336	21833	31	3719	2754	10839	1757438	1484262	11226	10	1792990	8	1518849	8	
REGION 08-DENVER	336	21833	20	3506	2616	8240	1783250	1486633	9595	9	1815257	8	1517850	8	
REGION 09-SAN FRANCISCO	698	61781	1	215	150	18240	419856	343584	16	15353	24	1471083	22		
REGION 10-SEATTLE	373	32674	1	14	130	6280	1327884	1138411	6653	6	1360338	6	1171083	6	
OTHER-ERROR	1								1	0	14	0	14	0	
TOTALS. CLASS D. ALL FYS	7388	597471	182	28264	19861	99599	22632626	18961169	107169	99	23258461	102	19578501	101	

FISCAL YEAR 1992 APPROVALS

	DIRECT			I/P			DOLLARS IN THOUSANDS						TOTAL		
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	\$	SBA	NUMBER	\$	GROSS	%	\$	SBA	%
REGION 01-BOSTON	34	3286					1753	412264	338474	1787	7	415550	7	341760	7
REGION 02-NEW YORK	136	13592					2178	453863	377359	2359	9	465445	4	388939	5
REGION 03-PHILADELPHIA	136	13592					2178	453863	377359	2359	9	465445	4	388939	5
REGION 04-ATLANTA	138	11518					2912	831803	684465	3050	12	843321	13	700983	13
REGION 05-CHICAGO	24	2671	1	220	150	2857	758038	631243	2882	12	760389	12	634044	12	
REGION 06-DALLAS	31	2151					3119	787457	647556	3150	13	789608	13	649707	12
REGION 07-KANSAS CITY	43	3195					2396	430319	361844	2439	10	433514	7	365039	7
REGION 08-DENVER	24	1976					2206	465640	389553	2230	9	467616	24	391529	27
REGION 09-SAN FRANCISCO	31	2622					4368	149856	120982	4391	16	153797	16	130352	16
REGION 10-SEATTLE	31	2622					1510	351275	237830	1541	6	353797	6	300352	6
OTHER-ERROR										0	0		0		
TOTALS. CLASS O. CURRENT FY	576	44982	1	220	150	24468	6248498	5176095	25045	101	6293700	100	5221227	99	

Report Prepared: 03/09/93

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& BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.

LOANS BY % SBA GUARANTY OR % I. P. PURCHASED
 7(A) LOANS FINANCE LOANS, EDL, ENERGY, VETS, HAL
 AS OF SEPTEMBER 30, 1992

OUTSTANDING LOANS ALL PRIOR FISCAL YEARS AND LATEST YEAR

	DIRECT				I/P				DOLLARS IN THOUSANDS				TOTAL			
	NUMBER	%	GROSS	\$	NUMBER	%	GROSS	\$	NUMBER	%	GROSS	\$	NUMBER	%	GROSS	\$
0.00																
50.01-50.00	5		1450		514		568	301330	120588		573		0		302780	
50.01-74.99	3		1036		4448		3870	161055	1043185		3903		4		1617601	
75.00	139		18737		14085		5837	185834	1043185		962		6		1573817	
75.01-75.99							962	448337	348308		962		13		3271370	
80.00							11905	3271370	2618064		11905		13		3271370	
80.01-84.99	1		370		300		6753	2152506	1777805		6754		8		2152876	
85.01-89.99							20424	6072902	5158311		20424		23		6072902	
90.00	3		448		403		2589	395294	345599		2589		3		395294	
90.01-100.0	1		223		112		37065	4384343	3942614		37068		41		4384741	
OTHER-ERROR							12245		10666		64		0		12468	
TOTALS CLASS A, ALL FYS	182		28264		19862		89535	20203966	16532864		89717		100		20232230	
													100		16552726	

FISCAL YEAR 1992 APPROVALS

	DIRECT				I/P				DOLLARS IN THOUSANDS				TOTAL			
	NUMBER	%	GROSS	\$	NUMBER	%	GROSS	\$	NUMBER	%	GROSS	\$	NUMBER	%	GROSS	\$
0.00																
50.01-50.00	1		220		150		108	85276	32985		108		0		85276	
50.01-74.99							455	254448	190997		455		2		254448	
75.00							224	149828	116997		224		3		149828	
75.01-75.99							5133	1455562	1163913		5133		23		1455562	
80.00							2491	831780	685477		2491		11		831780	
80.01-84.99							6169	1874018	1591628		6169		27		1874018	
85.01-89.99							182	574493	46468		182		9		574493	
90.00							6589	518771	456468		6589		23		518771	
90.01-100.0													0			
OTHER-ERROR													0			
TOTALS CLASS A, CURRENT FY	1		220		150		22459	5628830	4556428		22460		99		5629050	
													101		4556578	

Report Prepared 11/3/09/93

PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION. TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING & BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR. DIRECT LDANS ARE NOT COUNTED IN THIS REPORT.

LOANS BY % SBA GUARANTY OR % I. P. PURCHASED
503 AND 504 LOANS

SMALL BUSINESS ADMINISTRATION
AGENCY WIDE
FINANCIAL ASSISTANCE PROGRAM
LOAN PROFILES
AS OF SEPTEMBER 30, 1992

PAGE 44
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CLASS B

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

	DIRECT			I/P			DOLLARS IN THOUSANDS			TOTAL			
	NUMBER	\$ GROSS	%	NUMBER	\$ GROSS	%	NUMBER	\$ GROSS	%	NUMBER	\$ GROSS	%	
0.00													
50.01-75.99													
75.01-79.99													
80.01-84.99													
85.01-89.99													
90.01-100.0													
OTHER-ERROR													
TOTALS: CLASS B, ALL FYS							10064	2428658	100	2428658	100	2428306	100

FISCAL YEAR 1992 APPROVALS

	DIRECT			I/P			DOLLARS IN THOUSANDS			TOTAL			
	NUMBER	\$ GROSS	%	NUMBER	\$ GROSS	%	NUMBER	\$ GROSS	%	NUMBER	\$ GROSS	%	
0.00													
50.01-75.99													
75.01-79.99													
80.01-84.99													
85.01-89.99													
90.01-100.0													
OTHER-ERROR													
TOTALS: CLASS B, CURRENT FY							2009	619667	100	619667	100	619667	100

Report Prepared: 03/09/93

PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION
TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING
& BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.
DIRECT LOANS ARE NOT COUNTED IN THIS REPORT.

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REPORT 11

CLASS C

SMALL BUSINESS ADMINISTRATION
AGENCY WIDE
FINANCIAL ASSISTANCE PROGRAM
AS OF SEPTEMBER 30, 1992

LOANS BY % SBA GUARANTY OR % I. P. PURCHASED
EOL LOANS

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

ALL FYS

	DOLLARS IN THOUSANDS				DOLLARS IN THOUSANDS				DOLLARS IN THOUSANDS							
	DIRECT		I/P		GUARANTY		TOTAL		DIRECT		I/P		GUARANTY		TOTAL	
	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%
0.00																
50.01-74.99	2	585	355	12	11118	4074	12	11118	0							
75.00	5	313	243	33	11399	7517	35	4	11984	8						
75.01-79.99				15	2866	2149	20	2	3179	2						
80.00				10	1892	1459	10	1	1892	1						
80.01-84.99				30	6758	5406	30	3	6758	5						
85.00				175	15831	13129	175	8	15831	11						
85.01-89.99				57	48129	23533	57	13	31224	24						
90.00				57	6120	5353	57	6	6120	4						
90.01-100.0	2	64	58	582	51244	46104	584	61	51308	36						
OTHER-ERROR				10	355	355	10	1	355	0						
TOTALS: CLASS C, ALL FYS	9	962	656	954	142532	114847	963	100	143494	99						

FISCAL YEAR 1992 APPROVALS

CURRENT FY

	DOLLARS IN THOUSANDS				DOLLARS IN THOUSANDS				DOLLARS IN THOUSANDS							
	DIRECT		I/P		GUARANTY		TOTAL		DIRECT		I/P		GUARANTY		TOTAL	
	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%
0.00																
50.01-74.99																
75.00																
75.01-79.99																
80.00																
80.01-84.99																
85.00																
85.01-89.99																
90.00																
90.01-100.0																
OTHER-ERROR																
TOTALS: CLASS C, CURRENT FY																

Report Prepared 03/09/93

PERCENTAGES ARE ROUNDED: MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION
TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING
& BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.
DIRECT LOANS ARE NOT COUNTED IN THIS REPORT.

LOANS BY % SBA GUARANTY OR % I. P. PURCHASED
ALL LOANS

SMALL BUSINESS ADMINISTRATION
FINANCIAL ASSISTANCE PROGRAM
LOAN PROFILES
AS OF SEPTEMBER 30, 1992

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REPORT 11
CLASS D

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

	DIRECT			I/P			GUARANTY			TOTAL		
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	SBA	NUMBER	\$	GROSS
0.00												
0.01-50.00	5	1450		514	568	301330	120588			573	0	302780
50.01-74.99	33	7036		448	3870	1670555	1043185			3903	4	1677601
75.01-79.99	139	18737		14085	5336	1555074	1167723			5475	5	1573811
80.00					1862	448337	348309			1962	1	448337
80.01-84.99	1	370		300	11905	2213770	2618064			11905	12	3271370
85.00					6255	812505	1771061			20434	20	2072806
85.01-90.99					20424	6072902	5158311			20434	20	2072806
90.01-100.00	3	448		403	37065	4384343	3942614			2589	3	395294
OTHER-ERROR	1	223		112	10127	2440903	2438972			10128	10	2441126
TOTALS: CLASS D, ALL FYS	182	28264		19862	99599	22632624	18961170			99781	100	22660888
												100
												18981032
												101

ALL FYS

FISCAL YEAR 1992 APPROVALS

	DIRECT			I/P			GUARANTY			TOTAL		
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	SBA	NUMBER	\$	GROSS
0.00												
0.01-50.00												
50.01-74.99	1	220		150	678	85276	32985			108	0	85276
75.00					455	254448	190997			455	2	254448
75.01-79.99					224	149828	116997			224	1	149828
80.00					5133	1455562	1163913			5133	21	1455562
80.01-84.99					2481	151678	134768			2481	3	151678
85.00					612	54765	47791			612	3	54765
85.01-89.99					51871	466468	6589			51871	8	466468
90.00					2009	619667	619667			2009	8	619667
OTHER-ERROR										0	0	
TOTALS: CLASS D, CURRENT F	1	220		150	24468	6248497	5176095			24469	100	6248717
												98
												5176245
												100

CURRENT FY

Report Prepared: 03/09/93

PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION. TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING & BUDGET. ANY DISCREPANCY BETWEEN THEIRS AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR. DIRECT LOANS ARE NOT COUNTED IN THIS REPORT.

LOANS BY ORIGINAL NUMBER OF YEARS TO MATURITY SMALL BUSINESS ADMINISTRATION
 7(A) LOANS: BUSINESS LOANS, EOL, ENERGY, VETS, IAL FINANCIAL ASSISTANCE PROGRAM
 AS OF SEPTEMBER 30, 1992

PAGE 48
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 CLASS A

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

		DOLLARS IN THOUSANDS				TOTAL			
		DIRECT		I/P		QUARANTY		TOTAL	
		NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	\$ GROSS
1-3	33	1313				2315	421783	347972	2338
4-5	311	13290	1	75		52	107397	281622	2788
6-7	1236	70397	5	529		406	19358	307397	18
8-10	1936	149193	10	1722		1162	19793	4011751	3286378
11-15	2252	209247	97	13831		10091	16297	3844415	19
16-20	1226	113284	59	10168		12036	3552414	2905309	13321
21-25	376	30984	10	1839		1130	10814	4129864	3247581
OVER 25	72	5263				424	150057	122827	496
UNKNOWN									
TOTALS: CLASS A, ALL FYS	7384	592971	182	28264		19862	89535	20203968	16532862
								97101	99
								20825203	101
								17145695	101

FISCAL YEAR 1992 APPROVALS

		DOLLARS IN THOUSANDS				TOTAL			
		DIRECT		I/P		QUARANTY		TOTAL	
		NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	\$ GROSS
1-3	3	178				1330	247998	200954	1333
4-5	84	3834				2966	364615	300497	3050
6-7	200	11479				5362	907568	747492	5562
8-10	172	18107	1	220		1152	952114	721375	4350
11-15	24	3103				2301	855085	685501	2325
16-20	9	2046				3012	1327116	1062644	3021
21-25						87	45153	35826	87
OVER 25						1	155	131	1
UNKNOWN									
TOTALS: CLASS A, CURRENT FY	576	44982	1	220		130	22459	5628830	4558426
								23036	99
								5674032	99
								4601558	100

Report Prepared: 03/09/93
 PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION.
 TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING
 & BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.

LOANS BY ORIGIN, NUMBER OF YEARS TO MATURITY, SMALL BUSINESS ADMINISTRATION, PAGE
503 AND 504 LOANS, FINANCIAL ASSISTANCE PROGRAM, REPORT
AS OF SEPTEMBER 30, 1992, CLASS, 12
ALL FYS, 49

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

	DOLLARS IN THOUSANDS				TOTAL			
	---DIRECT---	---I/P---	---GUARANTY---	---	---GROSS---	---SBA---	---	---
	NUMBER	\$	NUMBER	\$	NUMBER	%	\$	%
1-3			25	6629	6629	25	0	6629
4-5			5	1114	1114	5	0	1114
6-7			9	1912	1912	9	0	1912
8-10			512	118310	118253	512	5	118253
11-15			812	180477	180409	812	7	180409
16-20			7317	1830477	1830089	7317	7	1830089
21-25			1358	308540	308540	1358	13	308540
OVER 25			10	2336	2336	10	0	2336
UNKNOWN								
TOTALS: CLASS B, ALL FYS			10064	2428657	2428305	10064	99	2428657

FISCAL YEAR 1992 APPROVALS

	DOLLARS IN THOUSANDS				TOTAL			
	---DIRECT---	---I/P---	---GUARANTY---	---	---GROSS---	---SBA---	---	---
	NUMBER	\$	NUMBER	\$	NUMBER	%	\$	%
1-3			11	2870	2870	11	1	2870
4-5			2	493	493	2	0	493
6-7			179	47065	47065	179	9	47065
8-10			5	2322	2322	5	0	2322
11-15			1785	555523	555523	1785	89	555523
16-20			25	10947	10947	25	1	10947
21-25			1	290	290	1	0	290
OVER 25								
UNKNOWN								
TOTALS: CLASS B, CURRENT FY			2009	619667	619667	2009	100	619667

Report Prepared: 03/09/93
PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION.
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& BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR

LOANS BY ORIGINAL NUMBER OF YEARS TO MATURITY
EOL LOANS

SMALL BUSINESS ADMINISTRATION
FINANCIAL ASSISTANCE PROGRAM
LOAN PROFILES
AS OF SEPTEMBER 30, 1992

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REPORT 12
CLASS C

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

		DOLLARS IN THOUSANDS											
		DIRECT		I/P		GUARANTY		TOTAL					
		NUMBER	\$	NUMBER	\$	NUMBER	\$	NUMBER	\$	NUMBER	%	\$	%
1-3	8	345				26	2660	2328		34	1	9005	1
4-5	138	5382				62	6534	5223		201	6	11916	4
6-7	528	24639				163	19555	16671		691	21	44184	16
8-10	649	41505	2	607	382	347	48482	41172		998	30	90594	32
11-15	669	45024	6	340	260	248	51344	38239		923	28	97508	35
16-20	290	14541	1	15	14	71	9921	7783		319	10	23887	8
21-25	90	4281				28	3585	2868		106	4	1672	1
OVER 25	29	1002				B	869	597		37	0	1599	1
UNKNOWN													
TOTALS: CLASS C, ALL FYS	2359	136432	9	962	656	954	142533	114849		3322	101	279027	100
													251937 99

FISCAL YEAR 1992 APPROVALS

		DOLLARS IN THOUSANDS											
		DIRECT		I/P		GUARANTY		TOTAL					
		NUMBER	\$	NUMBER	\$	NUMBER	\$	NUMBER	\$	NUMBER	%	\$	%
1-3	40	1578								40	0	1578	0
4-5	98	4322								98	0	4322	0
6-7	74	6115								74	29	6115	29
8-10	34	3567								34	29	6115	37
11-15	5	567								5	2	567	3
16-20													
21-25													
OVER 25													
UNKNOWN													
TOTALS: CLASS C, CURRENT FY	252	16749								252	99	16749	99

Report Prepared: 03/09/93

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LOANS BY ORIGINA NUMBER OF YEARS TO MATURITY SMALL BUSINESS ADMINISTRATION
 ALL LOANS FINANCIAL AGENCY WIDE PROGRAM
 AS OF SEPTEMBER 30, 1992

 OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

 ALL FVS

	DIRECT			I/P			GUARANTY			TOTAL		
	NUMBER	\$	GROSS	NUMBER	\$	SBA	NUMBER	\$	GROSS	NUMBER	%	\$ SBA
1-3	23	1313					2340	428412		2363	2	429725
4-5	311	12280		1	75	52	8481	1075007		8793	8	1088372
6-7	1236	70387		5	629	406	19377	3019679		20518	19	3090705
8-10	2255	213247		97	13622	1062	20305	4130061		22251	21	4280976
11-15	1237	113784		59	10168	7021	19369	5391794		20655	19	4561932
16-20	328	30984		10	1839	1130	12172	4438404		12510	12	441227
21-25	72	5263					434	152393		506	1	157656
OVER 25							12	2024		1794	12	0
UNKNOWN												
TOTALS	7388	597471		182	28264	19862	99599	22632625		107169	99	23258360
CLASS O, ALL FVS												100
												19578501

FISCAL YEAR 1992 APPROVALS

	DIRECT			I/P			GUARANTY			TOTAL		
	NUMBER	\$	GROSS	NUMBER	\$	SBA	NUMBER	\$	GROSS	NUMBER	%	\$ SBA
1-3	3	178					1341	250868		1344	5	251046
4-5	84	387					5364	908067		5564	22	919500
6-7	200	11479					3364	908067		5564	22	919500
8-10	184	16235		1	220	150	4344	999179		4529	18	1015634
11-15	72	8107					3240	931348		3312	13	939455
16-20	24	3103					4086	1410608		4110	16	1413711
21-25	9	2046					3037	1338063		3046	12	1340109
OVER 25							86	45443		86	0	45443
UNKNOWN												
TOTALS	576	44982		1	220	150	24468	6248497		5176093	25045	98
CLASS D, CURRENT FY												6293699
												100
												5221225

Report Prepared: (3/09/93)
 PERCENTAGES ARE ROUNDED, MAY NOT TOTAL EXACTLY 100. COLLARS ARE ROUNDED AFTER CATEGORY SUMMATION.
 TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF LENDING
 & BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.

CURRENT FY

LOANS BY CURRENT NUMBER OF YEARS TO MATURITY
 7(A) LOANS: BUSINESS LOANS, EOL, ENERGY, VETS, HAL
 AS OF SEPTEMBER 30, 1992

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 CLASS A

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

ALL FYS

		DOLLARS IN THOUSANDS												
		DIRECT		I/P		GUARANTY		TOTAL						
		NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	%	\$ GROSS	%	\$ SBA	%	
1-3	2297	157241	61	7460	5311	14585	2255906	1875705	16943	17	2420607	12	2038257	12
4-5	1242	91289	38	5462	15230	36676	1960132	16500	17	2458439	12	2050077	12	
6-7	1085	95486	23	3448	15212	2771325	2284675	16430	17	2871560	14	2383609	14	
8-10	629	68277	25	3616	2682	13075	2932786	2404336	14195	15	3041021	15	2510337	15
11-15	698	19217	18	4487	3037	12066	3196918	2594605	12713	13	3769682	16	2665919	16
16-20	237	28816	3	812	542	8478	2809422	2271737	8718	9	2839050	14	2306495	13
21-25	43	6714				8246	3385025	2719773	8290	9	3391739	16	2726487	16
OVER 25						68	463373	394899	3243	3	506549	2	437563	3
PAST MATURITY OR ERROR.	655	41432	14	1678	1166	2574	463373	394899	3243	3	506549	2	437563	3
TOTALS: CLASS A, ALL FYS	7384	592972	182	28264	19862	89535	20203967	16532863	97101	100	20825203	101	17145637	101

FISCAL YEAR 1992 APPROVALS

CURRENT FY

		DOLLARS IN THOUSANDS												
		DIRECT		I/P		GUARANTY		TOTAL						
		NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	\$ SBA	NUMBER	%	\$ GROSS	%	\$ SBA	%	
1-3	3	49	679	133801	108878	682	3	133850	2	108927	2			
4-5	84	3059	1966	234567	192462	2030	9	237626	4	195321	4			
6-7	154	8833	3384	570695	468862	3538	15	579528	10	478695	10			
8-10	141	12523	2342	530143	430169	2483	11	542656	10	442692	10			
11-15	17	1181	1181	451156	360610	1272	6	453359	8	372534	8			
16-20	16	1835	1256	451156	360610	1272	6	453359	8	372534	8			
21-25	7	1186	1759	755778	606634	1766	8	756974	13	607830	13			
OVER 25														
UNITS: PAST MATUR., OR ERR.	136	11196	1	220	150	9336	2463237	1992362	9473	41	2474653	44	2003708	44
TOTALS: CLASS A, CURRENT FY	576	44982	1	220	150	22459	5628831	4556427	23036	101	5674033	100	4601599	100

Report Prepared: 03/09/93

PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION. TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING & BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.

SMALL BUSINESS ADMINISTRATION
FINANCIAL ASSISTANCE PROGRAM
AS OF SEPTEMBER 30, 1992

LOANS BY CURRENT NUMBER OF YEARS TO MATURITY
503 AND 504 LOANS

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REPORT 13
CLASS B

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

	DOLLARS IN THOUSANDS				DOLLARS IN THOUSANDS				DOLLARS IN THOUSANDS			
	DIRECT		I/P		GUARANTEE		TOTAL		DIRECT		I/P	
	NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	\$ SBA	NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	\$ SBA
1-3	120	21018	120	21018	120	1	0	21018	1	0	1	21018
4-5	884	192723	884	192723	884	4	0	192723	4	0	3	179937
6-7	2458	492885	2458	492885	2458	24	0	492885	20	0	2	10175
8-10	6191	1644868	6191	1644868	6191	62	0	1644868	68	0	0	0
11-15	14	3750	14	3750	14	0	0	3750	0	0	0	0
16-20	3	224	3	224	3	0	0	224	0	0	0	0
21-25	0	0	0	0	0	0	0	0	0	0	0	0
OVER 25	0	0	0	0	0	0	0	0	0	0	0	0
PAST MATURITY OR ERROR	0	0	0	0	0	0	0	0	0	0	0	0
TOTALS	10064	2428657	10064	2428657	10064	100	0	2428657	100	0	2428305	100

CLASS B, ALL FYS

FISCAL YEAR 1992 APPROVALS

	DOLLARS IN THOUSANDS				DOLLARS IN THOUSANDS				DOLLARS IN THOUSANDS			
	DIRECT		I/P		GUARANTEE		TOTAL		DIRECT		I/P	
	NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	\$ SBA	NUMBER	\$ GROSS	NUMBER	\$ GROSS	NUMBER	\$ SBA
1-3	0	0	0	0	0	0	0	0	0	0	0	0
4-5	45	10175	45	10175	45	0	0	10175	0	0	0	0
6-7	349	91462	349	91462	349	17	0	91462	15	0	0	0
8-10	1615	518030	1615	518030	1615	80	0	518030	84	0	0	0
11-15	2009	619667	2009	619667	2009	99	0	619667	101	0	0	0
16-20	0	0	0	0	0	0	0	0	0	0	0	0
21-25	0	0	0	0	0	0	0	0	0	0	0	0
OVER 25	0	0	0	0	0	0	0	0	0	0	0	0
UNDIS., PAST MATUR., OR ERR.	0	0	0	0	0	0	0	0	0	0	0	0
TOTALS	2009	619667	2009	619667	2009	99	0	619667	101	0	619667	101

CLASS B, CURRENT FY

Report Prepared 03/09/93

PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION.
TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING
& BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR

LOANS BY CURRENT NUMBER OF YEARS TO MATURITY
 EOL LOANS
 SMALL BUSINESS ADMINISTRATION
 FINANCIAL ASSISTANCE PROGRAM
 AS OF SEPTEMBER 30, 1992

PAGE 54
 REPORT 13
 CLASS C

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

ALL FYS

	DIRECT			I/P			GUARANTEE			TOTAL		
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	GROSS
1-3	724	33275	1	48	284	27208	1009	30	60833	22	56798	23
4-5	415	21939	2	675	425	18834	511	15	40467	14	37590	15
6-7	386	21601	1	32	124	18834	430	13	42616	15	39300	16
8-10	338	25850	1	80	60	16686	353	11	56669	20	45822	18
11-15	223	19959	1	96	72	25	76	2	11505	4	10446	4
16-20	51	5266				595			1082		993	
21-25	3	487				2			150		141	
OVER 25						595			1082		993	
PAST MATURITY OR ERROR.	217	8052	3	30	22	87	307	9	15030	5	1411	0
TOTALS: CLASS C, ALL FYS	2359	136431	9	962	655	954	114849	3322	99	279924	99	251935

FISCAL YEAR 1992 APPROVALS

	DIRECT			I/P			GUARANTEE			TOTAL		
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	GROSS
1-3	22	1363					32	13	1363	0	0	0
4-5	60	5097					31	8	2607	23	1363	8
6-7	25	2692					6	3	2692	16	3507	23
8-10	3	424					25	10	2692	16	3507	23
11-15							3	1	424	3	424	3
16-20												
OVER 25												
UNITS: PAST MATUR., OR ERR.	54	3366					54	21	3366	20	3366	20
TOTALS: CLASS C, CURRENT FY	252	16749					252	100	16749	100	16749	100

Report Prepared: 03/09/93

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SMALL BUSINESS ADMINISTRATION AGENCY WIDE FINANCIAL ASSISTANCE PROGRAM LOAN PROFILES AS OF SEPTEMBER 30, 1992											PAGE 55 REPORT 13 CLASS D						
LOANS BY CURRENT NUMBER OF YEARS TO MATURITY ALL LOANS																	
-----DIRECT-----																	
NUMBER	\$ GROSS	NUMBER	\$ GROSS	\$ SBA	NUMBER	\$ GROSS	\$ SBA	NUMBER	%	TOTAL							
-----I/P-----																	
NUMBER	\$ GROSS	NUMBER	\$ GROSS	\$ SBA	NUMBER	%	\$ GROSS	%	\$ SBA	%							
1-3	2299	159241	61	7460	5311	14585	2255906	1875705	16945	16	2421607	10	2039257	10	2039257	10	
4-5	1242	91269	28	5462	3676	15350	2382725	1981149	16620	16	2479456	11	2475046	13	2475046	13	
6-7	1186	105986	33	4749	3448	15605	2844262	2357612	16824	16	2944997	13	2944997	13	2944997	13	
8-10	1086	106619	25	3616	2682	13959	3126060	2596609	15080	14	3126060	14	3126060	14	3126060	14	
11-15	629	60277	18	4487	3037	14524	3689803	3087389	15171	14	3762567	16	3762567	16	3762567	16	
16-20	237	28816	3	812	542	14669	4454290	3921756	14909	14	4483918	19	3951114	20	3951114	20	
OVER 25	43	6714			8261	3388775	2723523	8304	8	3395489	15	2730237	14	2730237	14		
PAST MATURITY OR ERROR	655	41498	14	1678	1166	69	26728	21835	70	21877	2	6780	0	6780	0	6780	0
TOTALS	7388	597472	182	28264	19862	99599	22632624	18961169	107169	101	23258360	100	9578503	100	9578503	100	

FISCAL YEAR 1992 APPROVALS

DOLLARS IN THOUSANDS												
---DIRECT---				I/P				TOTAL				
NUMBER	\$ GROSS	NUMBER	\$ GROSS	\$ SBA	\$ GROSS	NUMBER	%	\$ GROSS	%	\$ SBA	%	

1-3	3	49	679	133801	108878	682	3	133850	2	108927	2	
4-5	64	3059	1966	234567	192462	2030	8	237626	4	195521	4	
6-7	154	8833	3384	570695	469862	3538	14	579528	9	478695	9	
8-10	141	12523	2387	540318	450344	2528	10	552841	9	452867	9	
11-15	55	1815	1605	542586	452081	1621	6	544521	9	454016	9	
16-20	16	1931	1759	755778	606634	1766	7	756974	12	607830	12	
21-25	7	1196	1759	755778	606634	1766	7	756974	12	607830	12	
OVER 25												
UNDIS. PAST MATUR. OR ERR	136	11196	1	220	150	10951	2981266	2510392	11088	44	2992682	48
TOTALS	576	44982	1	220	150	24468	6248497	5176094	25045	99	6293699	101

Report Prepared. 03/09/93
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SUMMARY STATISTICS: YEARS TO MATURITY

SMALL BUSINESS ADMINISTRATION
FINANCIAL ASSISTANCE PROGRAM
LOAN PROFILES AS OF SEPTEMBER 30, 1992

	GROUPED OR ACTUAL DATA	STUDY YEAR	ALL FYS	STUDY YEAR	ALL FYS	-----DIRECT-----		STUDY YEAR	ALL FYS	STUDY YEAR	ALL FYS	STUDY YEAR	ALL FYS
						1/P	TOTAL						
7(A) LOANS: BUSINESS LOANS, EDL, ENERGY, VETS, HAL													
AVERAGE ORIGINAL LOAN YEARS (IN YEARS)	ACTUAL	9.24	12.62	10.00	15.99	11.55	12.29	11.50	12.32				
AVERAGE CURRENT LOAN YEARS (IN YEARS)	GROUPED	8.81	5.63		5.15	11.03	9.01	10.95	8.76				
MEDIAN ORIGINAL LOAN YEARS (IN YEARS)	ACTUAL	6.97	11.28		14.69	9.23	9.63	9.21	9.68				
MEDIAN CURRENT LOAN YEARS (IN YEARS)	GROUPED	9.26	6.95		6.92	7.42	9.29	7.50	9.08				
STD. DEV. ORIGINAL LOAN YEARS (IN MO.)	GROUPED	49	61		44	83	78	83	77				
STD. DEV. CURRENT LOAN YEARS (IN MO.)	GROUPED	62	52		46	91	79	91	78				
503 AND 504 LOANS													
AVERAGE ORIGINAL LOAN YEARS (IN YEARS)	ACTUAL			19.03	19.67	19.03	19.67	19.03	19.67				
AVERAGE CURRENT LOAN YEARS (IN YEARS)	ACTUAL			18.41	15.12	18.41	15.12	18.41	15.12				
MEDIAN ORIGINAL LOAN YEARS (IN YEARS)	GROUPED		14.66	19.45	19.50	19.45	19.50	19.45	19.50				
MEDIAN CURRENT LOAN YEARS (IN YEARS)	GROUPED		6.26	2.62	18.66	2.62	18.66	2.62	18.66				
STD. DEV. ORIGINAL LOAN YEARS (IN MO.)	GROUPED		25	91	46	91	46	91	46				
STD. DEV. CURRENT LOAN YEARS (IN MO.)	GROUPED		25										
EDL LOANS													
AVERAGE ORIGINAL LOAN YEARS (IN YEARS)	ACTUAL	8.72	11.66		13.04	11.04	11.66	8.72	11.48				
AVERAGE CURRENT LOAN YEARS (IN YEARS)	ACTUAL	8.22	5.49		5.86	5.49	5.86	8.22	5.51				
MEDIAN ORIGINAL LOAN YEARS (IN YEARS)	GROUPED	9.16	7.04		7.00	9.55	9.65	9.16	9.65				
MEDIAN CURRENT LOAN YEARS (IN YEARS)	GROUPED	9.16	7.04		7.00	9.55	9.65	9.16	9.65				
STD. DEV. ORIGINAL LOAN YEARS (IN MO.)	GROUPED	40	60		33	59	60	40	60				
STD. DEV. CURRENT LOAN YEARS (IN MO.)	GROUPED	53	49		34	50	53	53	49				
ALL LOANS													
AVERAGE ORIGINAL LOAN YEARS (IN YEARS)	ACTUAL	9.24	12.62	10.00	15.99	12.17	13.04	12.10	13.01				
AVERAGE CURRENT LOAN YEARS (IN YEARS)	ACTUAL	8.81	5.63		5.15	11.24	9.64	11.16	9.38				
MEDIAN ORIGINAL LOAN YEARS (IN YEARS)	GROUPED	9.26	11.29		14.69	9.50	9.93	9.47	9.95				
MEDIAN CURRENT LOAN YEARS (IN YEARS)	GROUPED	9.26	6.95		6.92	7.01	9.37	7.00	9.11				
STD. DEV. ORIGINAL LOAN YEARS (IN MO.)	GROUPED	49	61		44	84	78	84	77				
STD. DEV. CURRENT LOAN YEARS (IN MO.)	GROUPED	62	52		46	92	80	91	79				

OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

		DOLLARS IN THOUSANDS											
		DIRECT		I/P		SBA		GROSS		SBA		TOTAL	
NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$
5217	446469	146	2372	16517	53761	15911745	13936090	72124	74	16381586	79	1339076	78
NEW	2138	144499	34	4365	3174	22645	4258133	351939	24817	26	458186	2	3187
ERROR	29	2003	2	527	171	129	24089	19804	160	0	26619	0	21978
TOTALS: CLASS A, ALL FYS	7384	592971	182	28264	19862	89535	20203968	16532864	97101	100	20825203	100	17145697

FISCAL YEAR 1992 APPROVALS

		DOLLARS IN THOUSANDS											
		DIRECT		I/P		SBA		GROSS		SBA		TOTAL	
NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$
378	33101	1	220	150	17765	4704977	3791094	18144	79	4738298	84	3824345	83
NEW	197	11771			4664	915186	758173	4861	21	926957	16	769944	17
ERROR	1	110			30	8667	7161	31	0	8777	0	7271	0
TOTALS: CLASS A, CURRENT FY	576	44982	1	220	150	22459	5628830	4556428	23036	100	5674032	100	4601560

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LOANS BY NEW OR EXISTING BUSINESS
503 AND 504 LOANS

SMALL BUSINESS ADMINISTRATION
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OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

	DIRECT				I/P				DOLLARS IN THOUSANDS				TOTAL				
	NUMBER	\$	GROSS	SBA	NUMBER	\$	GROSS	SBA	NUMBER	\$	GROSS	SBA	NUMBER	\$	GROSS	SBA	
EXISTING																	
NEW	8233	1968913	1968561	8233	82	1968913	81	1968561	8233	82	1968913	81	1968561	81	1968561	81	1968561
ERROR	1802	452329	452329	1802	19	452329	19	452329	1802	19	452329	19	452329	19	452329	19	452329
TOTALS: CLASS B, ALL FYS	10064	2428658	2428306	10064	100	2428658	100	2428306	10064	100	2428658	100	2428306	100	2428658	100	2428306

FISCAL YEAR 1992 APPROVALS

	DIRECT				I/P				DOLLARS IN THOUSANDS				TOTAL				
	NUMBER	\$	GROSS	SBA	NUMBER	\$	GROSS	SBA	NUMBER	\$	GROSS	SBA	NUMBER	\$	GROSS	SBA	
EXISTING																	
NEW	1662	494384	494384	1662	83	494384	80	494384	1662	83	494384	80	494384	80	494384	80	494384
ERROR	341	122378	122378	341	17	122378	20	122378	341	17	122378	20	122378	20	122378	20	122378
TOTALS: CLASS B, CURRENT FY	2009	619667	619667	2009	100	619667	100	619667	2009	100	619667	100	619667	100	619667	100	619667

Report Prepared: 03/09/93

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OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

	DIRECT				I/P				DOLLARS IN THOUSANDS				TOTAL			
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	SBA	NUMBER	\$	GROSS	%	NUMBER	\$	GROSS	%	
EXISTING	1708	102686	7	881	579	723	103890	85238	2438	73	207437	74	188483	75		
NEW	638	33371	2	81	76	227	37793	29081	867	26	71245	25	62328	25		
ERROR	13	395				4	850	531	17		1245	0	225	0		
TOTALS: CLASS C, ALL FYS	2359	136432	9	962	655	954	142533	114850	3322	100	279927	99	251937	100		

FISCAL YEAR 1992 APPROVALS

	DIRECT				I/P				DOLLARS IN THOUSANDS				TOTAL			
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	SBA	NUMBER	\$	GROSS	%	NUMBER	\$	GROSS	%	
EXISTING	167	12200						167	66	12200	73	12200	73			
NEW	84	4438						84	33	4438	26	4438	26			
ERROR	1	110						1	0	110	1	110	1			
TOTALS: CLASS C, CURRENT FY	252	16748						252	99	16748	100	16748	100			

Report Prepared 03/09/93

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LOANS BY NEW OR EXISTING BUSINESS
ALL LOANS

SMALL BUSINESS ADMINISTRATION
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OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

-----DIRECT-----		I/P		DOLLARS IN THOUSANDS		QUANTITY		-----TOTAL-----	
NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	%	\$	GROSS
EXISTING	5221	450989	146	23372	74994	17880657	14904650	80361	75
NEW	2130	144449	34	4365	3174	24447	4720463	4029299	26619
ERROR	29	2003	2	527	171	158	31505	27220	25
TOTALS: CLASS D, ALL FYS	7388	597471	182	28264	19862	99599	22632625	18961169	107169
									100
									23258360
									100
									19578502
									100

ALL FYS

FISCAL YEAR 1992 APPROVALS

-----DIRECT-----		I/P		DOLLARS IN THOUSANDS		QUANTITY		-----TOTAL-----	
NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	%	\$	GROSS
EXISTING	378	33101	1	220	150	19427	5199361	4285478	19806
NEW	197	11771				5005	1037564	880550	5202
ERROR	1	110				36	11572	10066	37
TOTALS: CLASS D, CURRENT FY	576	44982	1	220	150	24468	6248497	5176094	25045
									100
									6293699
									100
									5221226
									100

CURRENT FY

Report Prepared: 03/09/93

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LOANS BY NUMBER OF EMPLOYEES
 503 AND 504 LOANS
 SMALL BUSINESS ADMINISTRATION
 AGENCY WIDE PROGRAM
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OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

	-----DIRECT-----		-----I/P-----		DOLLARS IN THOUSANDS		-----GUARANTY-----		-----TOTAL-----	
	NUMBER	\$	GROSS	NUMBER	\$	SBA	NUMBER	\$	GROSS	%
O OR ERROR										
1-3				602	123844	123844	602	0	123844	0
4-7				1083	125233	125233	1083	6	125233	5
8-19				3063	154748	154748	3063	14	154748	8
20-49				3551	985496	985496	3551	30	985496	21
50-99				1298	481043	481043	1298	35	481043	41
100-249				436	171727	171727	436	13	171727	7
250-500				67	25055	25055	67	1	25055	1
501 OR MORE				24	9498	9498	24	0	9498	0
TOTALS: CLASS B, ALL FYS				10064	2428658	2428306	10064	100	2428658	100

FISCAL YEAR 1992 APPROVALS

	-----DIRECT-----		-----I/P-----		DOLLARS IN THOUSANDS		-----GUARANTY-----		-----TOTAL-----	
	NUMBER	\$	GROSS	NUMBER	\$	SBA	NUMBER	\$	GROSS	%
O OR ERROR										
1-3				187	51267	51267	187	9	51267	8
4-7				274	46798	46798	274	14	46798	8
8-19				639	154748	154748	639	32	154748	25
20-49				594	125045	125045	594	27	125045	32
50-99				270	100375	100375	270	11	100375	16
100-249				12	6111	6111	12	3	6111	5
250-500				6	2315	2315	6	0	2315	0
501 OR MORE										
TOTALS: CLASS B, CURRENT FY				2009	619667	619667	2009	100	619667	99

Report Prepared: 03/09/93

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OUTSTANDING LOANS, ALL PRIOR FISCAL YEARS AND LATEST YEAR

	DIRECT				I/P				DOLLARS IN THOUSANDS				TOTAL						
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	\$	SBA	NUMBER	\$	GROSS	%	\$	GROSS	%	\$	SBA	%	
O OR ERROR	20	733		7	307	246	539	53024	4152	213	64	733		1	6974	46	12041	28	733
1-3	1588	76643		1	80	60	189	27140	22709	688	21	62935	46	22709	46	22709	48	22709	
4-7	498	35715					144	30387	24110	346	10	48358	17	48358	17	48358	17	48358	
8-19	202	17991		1	575	350	84	23434	18121	36	1	5447	2	5447	2	5447	2	5447	
20-49	42	4289					12	4726	3688	18	1	2323	1	2323	1	2323	1	2323	
50-99	6	721					3	1983	1019	6	0	1359	1	1359	1	1359	1	1359	
100-249	3	340					3	1858	1050	3	0	1858	1	1858	1	1858	1	1858	
250-500																			
501 OR MORE																			
TOTALS: CLASS C, ALL FYS	2359	136432		9	962	656	954	142532	114849	3322	100	279926	99	251937	100	251937	100	251937	

FISCAL YEAR 1992 APPROVALS

	---DIRECT---				---I/P---				DOLLARS IN THOUSANDS				---TOTAL---					
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	\$	SBA	NUMBER	\$	GROSS	%	\$	GROSS	%	\$	SBA	%
O OR ERROR	1	65							1	0	65	0	65	0	65	0	65	0
1-3	168	9100							168	67	9100	54	9100	54	9100	54	9100	54
4-7	55	4847							55	22	4847	29	4847	29	4847	29	4847	29
8-19	22	1911							22	9	1911	11	1911	11	1911	11	1911	11
20-49	4	525							4	2	525	3	525	3	525	3	525	3
50-99	1	150							1	0	150	1	150	1	150	1	150	1
100-249	1	150							1	0	150	1	150	1	150	1	150	1
250-500																		
501 OR MORE																		
TOTALS: CLASS C, CURRENT FY	252	16748							252	100	16748	99	16748	99	16748	99	16748	99

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SMALL BUSINESS ADMINISTRATION
FINANCIAL ASSISTANCE PROGRAM
LOAN PROFILES
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OUTSTANDING LOANS: ALL PRIOR FISCAL YEARS AND LATEST YEAR

		DOLLARS IN THOUSANDS												
		DIRECT		I/P		TOTAL		GUARANTY		TOTAL				
		NUMBER	\$	NUMBER	\$	NUMBER	\$	NUMBER	\$	NUMBER	\$	NUMBER	\$	
O OR ERROR		58	3786	66	8445	15	1725	1499	73	0	5511	0	5285	
1-3		4147	245705	31	3696	27926	388828	3304245	32139	30	414978	18	3555617	
4-7		1570	132388	18	2732	27856	434831	3647782	25159	24	4480925	19	3782812	
8-19		906	102308	17	5736	4867	15697	5257902	4408376	16046	15	5307075	23	4456321
20-49		332	45217	12	3953	2528	552860	460298	16002	15	633806	28	5888066	
50-99		170	26054	12	2179	1630	4612	1974308	1639324	4794	4	2002541	9	1667008
100-249		162	32628	14	2765	1924	1462	677905	552890	1638	2	713298	3	587442
250-500		37	9066	7	2360	1415	201	96380	76872	245	0	107806	0	87353
501 OR MORE		7	1416	1	130	98	167	57787	46981	175	0	59333	0	48495
TOTALS: CLASS 0, ALL FYS		7388	597470	182	28264	19861	99599	2262626	18961168	107169	100	23258360	100	19578499

FISCAL YEAR 1992 APPROVALS

		DOLLARS IN THOUSANDS											
		DIRECT		I/P		TOTAL		GUARANTY		TOTAL			
		NUMBER	\$	NUMBER	\$	NUMBER	\$	NUMBER	\$	NUMBER	\$	NUMBER	\$
O OR ERROR		4	192	1	220	150	6787	1040338	875809	7142	4	192	0
1-3		354	21524	1	220	150	6787	1040338	875809	7142	4	192	0
4-7		114	10269							5778	23	1140437	18
8-19		65	6531							6538	26	1784459	28
20-49		22	3490							3912	16	1486493	24
50-99		9	1287							1370	5	585622	3
100-249		6	1287							1370	5	585622	3
250-500		1	350							51	0	29702	0
501 OR MORE		1	39							22	0	8058	0
TOTALS: CLASS 0, CURRENT FY		576	44982	1	220	150	24468	6248498	5176093	25045	100	6293700	99

Report Prepared: 03/09/93

PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION. TOTALS MAY VARY SLIGHTLY AMONG REPORTS; DISCREPANCIES ARE APPROPRIATE TO THE OFFICE OF PLANNING & BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.

SUMMARY STATISTICS: NUMBER EMPLOYEES

SMALL BUSINESS .INISTRATION
AGENCY WIDE PROGRAM
FINANCIAL ASSISTANCE PROGRAM
LOAN PROFILES AS OF SEPTEMBER 30, 1992

PAC
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GROUPED OR STUDY ALL STUDY STUDY STUDY STUDY STUDY ALL
ACTUAL DATA YEAR FYS YEAR YEAR YEAR YEAR YEAR YEAR FYS
-----DIRECT-----I/P-----GUARANTY-----TOTAL-----

7(A) LOANS: BUSINESS LOANS, EDL, ENERGY, VETS, HAL

AVERAGE NUMBER OF EMPLOYEES 10 12 3 77 16 18 16 18
MEDIAN NUMBER OF EMPLOYEES 4 4 9 9 7 6 7 6
STD. DEVIATION NUMBER OF EMPLOYEES 83 60 134 134 42 57 43 57

503 AND 504 LOANS

AVERAGE NUMBER OF EMPLOYEES 3 32 35 32 35
MEDIAN NUMBER OF EMPLOYEES 2 16 19 16 16
STD. DEVIATION NUMBER OF EMPLOYEES 63 63 61 63 61

EDL LOANS

AVERAGE NUMBER OF EMPLOYEES 4 6 7 4 5
MEDIAN NUMBER OF EMPLOYEES 3 2 4 3 3
STD. DEVIATION NUMBER OF EMPLOYEES 17 9 14 28 17

ALL LOANS

AVERAGE NUMBER OF EMPLOYEES 10 12 3 77 17 20 17 19
MEDIAN NUMBER OF EMPLOYEES 4 4 9 9 7 7 7 7
STD. DEVIATION NUMBER OF EMPLOYEES 83 60 134 134 45 58 45 58

Report Prepared: 03/09/93

OUTSTANDING LOANS BY FISCAL YEAR
 SMALL BUSINESS ADMINISTRATION
 FINANCIAL ASSISTANCE PROGRAM
 7(A) LOANS, BUSINESS LOANS, EOL, ENERGY, VETS, HAL
 AS OF SEPTEMBER 30, 1992

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 REPORT 16
 CLASS A

MULTIPLE FISCAL YEARS, LISTED INDIVIDUALLY

										DOLLARS IN THOUSANDS									
										-----DIRECT-----									
										NUMBER \$ GROSS NUMBER \$ SBA									
										-----I/P-----									
										NUMBER \$ GROSS \$ SBA									
										-----CUMULATIVE-----									
										NUMBER \$ GROSS \$ SBA									
										NUMBER %									
										-----TOTAL-----									
										\$ GROSS % \$ SBA %									
										MULTI YEAR									
FY 92	576	44982	1	220	150	22459	5628830	4556477	23036	22	5674032	24	4601559	24					
FY 91	368	34562	2	98	174	15149	3619008	2938977	15636	15	3659328	16	2979273	16					
FY 90	405	34562	1	98	174	15149	3619008	2938977	15636	15	3659328	16	2979273	16					
FY 89	411	33483	5	1379	887	10822	3200779	2605086	13999	13	3249904	14	2605086	14					
FY 88	373	28304	4	672	445	8961	1951434	1569295	9338	9	1960410	10	1569295	10					
FY 87	338	26788	4	958	741	7260	1521565	1203039	7602	7	1549311	7	1257928	7					
FY 86	257	24303	5	522	392	5347	1089862	901541	5609	5	1114687	5	926236	5					
FY 85	445	37197	12	2497	1606	3890	851074	724806	4536	4	897738	4	770579	4					
FY 84	371	32230	15	352	238	3066	65818	559203	3520	3	694963	3	579334	3					
FY 83	298	23716	2	375	238	17487	151378	124871	2068	2	272472	2	241134	2					
FY 82	639	51840	7	1371	1015	995	195261	188279	1641	2	272472	2	241134	2					
FY 81	623	51046	10	1294	961	966	196340	172748	1599	1	248680	1	224755	1					
FY 80	596	52165	33	3295	2421	1190	223758	193314	1593	2	279218	2	249478	2					
FY 79	296	21989	32	4917	3597	1095	217679	189314	1593	1	260185	1	230500	1					
FY 78	296	21989	32	4917	3597	1095	217679	189314	1593	1	260185	1	230500	1					
FY 77	151	8791	6	3240	2082	699	140084	124494	1015	1	164286	1	145695	1					
FY 76	74	4492	5	700	514	51	37355	32034	130	0	16428	0	14569	0					
FY 75	67	2885	2	320	200	93	13735	12034	162	0	16428	0	14569	0					
FY 74	45	1546	1	150	113	90	12976	11323	136	0	14672	0	15119	0					
FY 73	7	806	2	90	70	28	3155	2719	57	0	4051	0	3595	0					
FY 72	7	806	2	90	70	28	3155	2719	57	0	4051	0	3595	0					
FY 71	8	176	2	532	382	19	2692	2341	41	0	3891	0	3390	0					
FY 70	8	176	2	532	382	19	2692	2341	41	0	3891	0	3390	0					
FY 69	5	115	1	486	187	12	491	407	17	0	370	0	320	0					
FY 68	5	266	1	41	21	2	63	33	8	0	493	0	157	0					
FY 67	1	7	1	486	150	1	40	30	3	0	57	0	47	0					
FY 66	2	17	1	1	1	1	116	93	4	0	334	0	311	0					
FY 65	3	218								0									
FY 64										0									
FY 63										0									
FY 62										0									
FY 61										0									
FY 60										0									
FY 59										0									
FY 58										0									
FY 57										0									
FY 56										0									
FY 55										0									
FY 54										0									
ERROR										0									
OR PRIOR TO 1954										0									
TOTALS	7522	604328	183	28484	20015	99005	22711626	18561260	106710	99	23344438	100	19185603	100					

Report Prepared 03/09/93
 PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION.
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 & BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN FAVOR

OUTSTANDING INS BY FISCAL YEAR SMALL BUSINESS AD - STRATION PAGE 67
 503 AND 504 LOANS FINANCIAL ASSISTANCE PROGRAM REPORT 16
 AS OF SEPTEMBER 30, 1992 LOAN PROFILES CLASS B

MULTIPLE FISCAL YEARS, LISTED INDIVIDUALLY

	DIRECT		INDIRECT		TRANSITION		TOTAL		TOTAL		TOTAL		MULTI YEAR
	NUMBER	\$	NUMBER	\$	NUMBER	\$	NUMBER	\$	NUMBER	\$	NUMBER	\$	
FY 92					2009	619667	2009	619667	17	619667	21	619667	21
FY 91			1144	334254	1144	334254	1144	334254	10	334254	11	334254	11
FY 90			1396	289379	1396	289379	1396	289379	8	289379	9	289379	9
FY 89			871	219530	871	219530	871	219530	7	219530	7	219530	7
FY 88			1147	260824	1147	260824	1147	260824	10	260824	9	260824	9
FY 87			1065	229966	1065	229966	1065	229966	8	229966	8	229966	8
FY 86			916	181154	916	181154	916	181154	6	181154	6	181154	6
FY 85			976	205901	976	205901	976	205901	7	205901	7	205901	7
FY 84			584	156623	584	156623	584	156623	6	156623	6	156623	6
FY 83			284	50622	284	50622	284	50622	2	50622	2	50622	2
FY 82			97	17662	97	17662	97	17662	1	17662	1	17662	1
FY 81									0		0		0
FY 80									0		0		0
FY 79									0		0		0
FY 78									0		0		0
FY 77									0		0		0
FY 76									0		0		0
FY 75									0		0		0
FY 74									0		0		0
FY 73									0		0		0
FY 72									0		0		0
FY 71									0		0		0
FY 70									0		0		0
FY 69									0		0		0
FY 68									0		0		0
FY 67									0		0		0
FY 66									0		0		0
FY 65									0		0		0
FY 64									0		0		0
FY 63									0		0		0
FY 62									0		0		0
FY 61									0		0		0
FY 60									0		0		0
FY 59									0		0		0
FY 58									0		0		0
FY 57									0		0		0
FY 56									0		0		0
FY 55									0		0		0
FY 54									0		0		0
ERROR OR PRIOR TO 1954													
TOTALS			11680	2947180	11680	2946827	11680	2947180	98	2947180	100	2946827	100

Report Prepared 03/09/93
 PERCENTAGES ARE ROUNDED, MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION
 TOTALS MAY VARY SLIGHTLY FROM PREVIOUS REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING
 & BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.

OUTSTANDING LOANS BY FISCAL YEAR
 EDL LOANS
 SMALL BUSINESS ADMINISTRATION
 FINANCIAL ASSISTANCE PROGRAM
 LOAD PROFILES
 AS OF SEPTEMBER 30, 1992

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 REPORT 16
 CLASS C

MULTIPLE FISCAL YEARS, LISTED INDIVIDUALLY

	-----DIRECT-----			I/P-----			DOLLARS IN THOUSANDS			-----TOTAL-----			MULTI YEAR
	NUMBER	\$	GROSS	NUMBER	\$	SBA	NUMBER	\$	GROSS	NUMBER	\$	GROSS	
FY 92	252	16748								7	16748	6	16748
FY 91	218	14795								5	14795	5	14795
FY 90	196	14322								5	14322	5	14322
FY 89	178	12777								6	12777	6	12777
FY 88	186	19883		1	575	350	164	33091	27023	343	10	46443	16
FY 87	184	13260		1	96	72	126	33829	23941	303	9	43844	13
FY 86	176	13260					122	16600	13992	291	9	26993	10
FY 85	119	6763					122	16172	13172	298	7	21487	8
FY 84	73	4682					91	12287	10534	165	5	17049	6
FY 83	61	4108		1	80	60	44	5091	4494	105	3	9199	3
FY 82	51	3064		1	100	75	8	755	659	60	2	3919	1
FY 81	151	1479					15	786	715	162	5	8195	3
FY 80	136	6878					17	1094	885	153	3	7760	3
FY 79	141	6878					27	1031	899	154	5	7039	2
FY 78	127	6008					28	1196	1061	154	3	4292	2
FY 77	75	3091		1	5	4	8	373	328	83	2	2903	1
FY 76	73	2471		2	59	49	2	41	37	35	1	885	0
FY 75	33	844					8	240	216	47	1	1483	1
FY 74	34	953					18	463	463	23	1	1325	1
FY 73	19	438		1	15	14	3	48	46	23	1	506	0
FY 72	17	347					3	59	57	20	1	406	0
FY 71	8	176					1	21	19	9	0	197	0
FY 70	5	115					2	37	18	7	0	152	0
FY 69	2	30					1	13	13	3	0	43	0
FY 68	1	6								1	0	6	0
FY 67	1	6								1	0	6	0
FY 66										1	0	6	0
FY 65										0	0	0	0
FY 64										0	0	0	0
FY 63										0	0	0	0
FY 62										0	0	0	0
FY 61										0	0	0	0
FY 60										0	0	0	0
FY 59										0	0	0	0
FY 58										0	0	0	0
FY 57										0	0	0	0
FY 56										0	0	0	0
FY 55										0	0	0	0
FY 54										0	0	0	0
ERROR OR PRIOR TO 1954										0	0	0	0
TOTALS: CLASS C, MULTI YEAR	2413	139799		9	962	656	954	142533	114849	3376	100	287294	101

Report Prepared: 03/09/93
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REPORT 16
CLASS 0

SMALL BUSINESS ADMINISTRATION
AGENCY-WIDE PROGRAM
FINANCIAL ASSISTANCE PROGRAM
LOAN PROFILES
AS OF SEPTEMBER 30, 1992

OUTSTANDING LOANS BY FISCAL YEAR
ALL LOANS

MULTIPLE FISCAL YEARS, LISTED INDIVIDUALLY

	---DIRECT---				---I/P---				DOLLARS IN THOUSANDS				---TOTAL---			
	NUMBER	\$	GROSS	NUMBER	\$	GROSS	NUMBER	\$	SBA	NUMBER	%	\$	GROSS	%	\$	%
FY 92	576	44982	1	220	150	24468	6248497	5176094	25045	21	6203699	24	5221226	24		
FY 91	488	40222	1	38	74	16293	3953262	3272980	16780	14	3913582	15	3133276	15		
FY 90	405	34565	2	261	191	14928	3603638	2994464	15335	13	3638464	14	3029402	14		
FY 89	411	33463	5	1379	887	11851	2770116	2289214	12267	10	2804978	11	2323584	10		
FY 88	373	26304	4	672	445	9832	2170964	1788825	10209	9	2199940	8	1817574	9		
FY 87	347	26788	4	552	392	6407	1692979	1491223	8749	7	1810135	7	151752	7		
FY 86	257	24303	5	928	392	6407	1692979	1491223	8749	7	1810135	7	151752	7		
FY 85	535	47167	12	2497	1606	4906	1032227	905959	5453	5	1081891	4	954732	4		
FY 84	445	37793	9	1352	938	4042	861719	765104	4496	4	900864	3	803835	3		
FY 83	371	32290	15	3113	2273	2935	600975	539897	3321	3	636318	2	574400	3		
FY 82	298	23716	7	500	375	1082	225293	202098	1382	1	249509	1	226189	1		
FY 81	629	58416	10	1294	965	982	196323	172748	1601	1	249680	1	225755	1		
FY 80	625	52046	10	1294	965	982	196323	172748	1601	1	249680	1	225755	1		
FY 79	537	52668	33	3295	2421	1190	223758	194892	1820	2	279718	1	249578	1		
FY 78	466	37589	32	4917	3597	1095	217679	189314	1593	1	260185	1	230500	1		
FY 77	298	21149	18	3053	2052	699	140084	122494	1015	1	164286	1	145695	1		
FY 76	151	8791	5	740	560	182	37703	32088	338	0	4284	0	38139	0		
FY 75	67	2885	2	320	200	93	13735	12034	162	0	16940	0	15119	0		
FY 74	45	1546	1	150	113	90	12976	11323	136	0	14672	0	12982	0		
FY 73	27	806	2	90	70	28	3155	2719	57	0	4051	0	3595	0		
FY 72	18	667	4	532	382	19	2692	2341	41	0	3891	0	3390	0		
FY 71	8	176	2	323	187	8	838	740	19	0	1606	0	1503	0		
FY 70	6	116	1	41	12	63	481	407	19	0	370	0	320	0		
FY 69	6	266	1	486	150	1			8	0	493	0	157	0		
FY 68	7								33	0		0		0		
FY 67	1								33	0		0		0		
FY 66	2	17							40	0	57	0	311	0		
FY 65	3	218							33	0	334	0		0		
FY 64									4	0		0		0		
FY 63									4	0		0		0		
FY 62									4	0		0		0		
FY 61									4	0		0		0		
FY 60									4	0		0		0		
FY 59									4	0		0		0		
FY 58									4	0		0		0		
FY 57									4	0		0		0		
FY 56									4	0		0		0		
FY 55									4	0		0		0		
FY 54									4	0		0		0		
ERROR OR PRIOR TO 1954																
TOTALS:	7526	608828	183	28484	20015	110685	25658804	21508085	118394	99	26296116	99	22136928	100		

Report Prepared: 03/09/93
PERCENTAGES ARE ROUNDED. MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED. AFTER CATEGORY SUMMATION
TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING
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SMALL BUSINESS ADMINISTRATION
ECONOMIC OPPORTUNITY LOAN APPROVALS
(\$ IN MILLIONS)

FISCAL YEAR	DIRECT & IP LOANS			GUARANTY LOANS			TOTAL LOANS		
	NUMBER	GROSS \$	SBA \$	NUMBER	GROSS \$	SBA \$	NUMBER	GROSS \$	SBA \$
1965	152	1.6	1.6	5	0.1	0.1	158	1.8	1.7
1966	1,668	17.4	17.3	37	0.4	0.4	1,705	17.8	17.7
1967	2,887	29.9	29.6	148	1.8	1.6	3,035	31.8	31.3
1968	2,545	26.9	26.5	361	4.5	4.2	2,906	31.5	30.7
1969	2,578	28.6	28.1	1,665	22.5	20.9	4,243	51.2	49.0
1970	3,826	48.5	48.0	1,705	22.1	22.3	5,531	72.6	70.3
1971	4,858	65.2	64.9	1,928	27.6	25.8	6,786	92.8	89.7
1972	5,347	64.8	64.7	1,823	27.0	24.6	7,170	91.8	89.7
1973	4,196	75.2	74.9	3,470	72.7	65.8	7,666	147.9	140.7
1974	3,226	64.2	64.0	1,954	44.2	39.0	5,180	108.4	103.0
1975	2,620	54.7	54.4	1,994	21.5	18.3	4,614	76.2	73.3
1976	2,413	54.3	54.2	1,237	32.0	28.3	3,650	86.3	82.5
1977	2,562	13.7	13.6	1,305	9.2	8.1	3,867	22.8	21.7
1978	1,504	60.5	60.4	1,846	50.5	44.6	3,350	111.1	105.0
1979	1,877	62.3	62.1	1,346	40.0	38.7	3,223	102.9	97.4
1980	1,870	63.3	63.1	1,972	38.4	33.9	3,842	100.6	95.9
1981	1,756	63.6	63.5	679	27.4	24.4	2,435	91.0	87.9
1982	1,355	48.9	48.8	527	22.8	20.4	1,882	71.7	68.3
1983	510	21.8	21.7	215	14.9	13.3	725	36.7	34.8
1984	326	16.4	16.4	370	34.5	30.3	696	50.0	46.8
1985	335	18.7	18.7	464	51.6	41.8	800	70.4	65.2
1986	333	15.6	15.6	430	49.5	42.6	763	65.1	58.2
1987	245	13.6	13.6	313	38.3	32.2	558	51.9	45.8
1988	320	18.7	18.7	219	28.3	23.8	539	47.0	42.4
1989	293	17.1	17.1	196	45.5	37.7	489	62.6	49.6
1990	230	15.8	15.6	197	37.5	30.7	427	53.3	46.3
1991	222	15.7	15.7	0	0.0	0.0	222	15.7	15.7
1992	232	15.4	15.4	0	0.0	0.0	232	15.4	15.4
	252	16.7	16.7	0	0.0	0.0	252	16.7	16.7
TOTAL	49,448	1,024.5	1,020.8	23,175	771.1	669.0	72,623	1,795.6	1,689.8
							3,318		167.2

LOANS OUTSTANDING @ 9/30/92
O.O = LESS THAN \$50,000

SMALL BUSINESS ADMINISTRATION
HANDICAPPED LOAN APPROVALS
(\$ IN MILLIONS)

FISCAL YEAR	DIRECT & IP LOANS			GUARANTY LOANS			TOTAL LOANS		
	NUMBER	GROSS \$	SBA \$	NUMBER	GROSS \$	SBA \$	NUMBER	GROSS \$	SBA \$
1974	70	5.6	4.9	7	0.9	0.8	77	6.5	5.7
1975	69	5.2	5.0	10	1.5	1.2	79	6.7	6.2
1976	140	10.6	9.9	12	0.7	0.7	152	11.4	10.6
1977	36	2.2	2.1	0	0.0	0.0	36	2.2	2.1
1978	201	14.0	13.5	5	1.0	0.7	206	15.0	14.3
1979	206	23.4	23.1	10	1.3	1.1	318	24.7	24.2
1980	277	20.6	20.6	11	1.3	1.1	288	21.9	21.6
1981	250	20.2	19.9	8	0.4	0.4	258	20.7	20.3
1982	169	13.7	13.4	20	1.9	1.6	189	15.6	15.1
1983	159	15.4	15.0	4	0.8	0.7	163	16.2	15.8
1984	179	16.6	16.0	9	2.1	1.8	188	18.7	18.8
1985	248	24.5	23.7	5	0.7	0.5	253	25.2	24.6
1986	127	14.3	14.3	7	1.3	1.0	134	15.6	15.3
1987	93	9.3	9.3	6	0.8	0.6	99	10.0	9.8
1988	139	12.4	12.1	1	0.2	0.2	140	12.6	12.3
1989	124	12.1	11.9	4	1.6	1.2	128	13.7	13.1
1990	88	10.5	10.4	0	0.0	0.0	88	10.5	10.4
1991	104	12.2	12.0	0	0.0	0.0	104	12.2	12.0
1992	108	11.5	11.5	0	0.0	0.0	108	11.5	11.5
TOTAL	3,143	279.8	273.8	124	17.5	14.5	3,267	297.3	288.3
							1,298		89.5

LOANS OUTSTANDING @ 9/30/92
0.0 = LESS THAN \$50,000

SMALL BUSINESS ADMINISTRATION
ENERGY LOAN APPROVALS
(\$ IN MILLIONS)

FISCAL YEAR	DIRECT & IP LOANS			GUARANTY LOANS			TOTAL LOANS		
	NUMBER	GROSS \$	SBA \$	NUMBER	GROSS \$	SBA \$	NUMBER	GROSS \$	SBA \$
1979	85	11.9	11.6	22	2.6	2.4	107	14.6	14.0
1980	105	14.4	14.3	79	12.8	11.4	184	27.3	25.7
1981	44	6.7	6.7	44	8.1	7.1	88	14.8	13.8
1982	13	1.2	1.2	12	1.7	1.3	25	2.9	2.5
1983	6	0.4	0.4	18	3.8	3.1	24	4.2	3.6
1984	3	0.3	0.3	9	1.8	1.5	12	2.1	1.8
1985	1	0.1	0.1	3	0.9	0.8	4	1.1	0.9
1986	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
1987	0	0.0	0.0	2	0.5	0.4	2	0.5	0.4
1988	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
1989	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
1990	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
1991	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
1992	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
TOTAL	257	35.1	34.6	189	32.4	28.2	446	67.5	62.8
				LOANS OUTSTANDING @ 9/30/92			27		3.3
				0.0 = LESS THAN \$50,000					

SMALL BUSINESS ADMINISTRATION
VETERANS LOAN APPROVALS
(\$ IN MILLIONS)

FISCAL YEAR	DIRECT & IP LOANS		
	NUMBER	GROSS \$	SBA \$
1983	124	8.7	8.5
1984	294	18.6	19.8
1985	150	8.8	16.1
1986	301	19.2	18.1
1987	260	19.1	19.0
1988	238	16.9	16.9
1989	201	14.9	14.9
1990	155	11.8	11.8
1991	190	14.9	14.9
1992	217	16.5	16.5
TOTAL	2,140	150.7	150.3
LOANS OUTSTANDING			
● 9/30/92	1,030		64.6
0 0 + LESS THAN \$50,000			

SMALL BUSINESS ADMINISTRATION
"501" & "502" DEVELOPMENT LOAN APPROVALS
(\$ IN MILLIONS)

FISCAL YEAR	DIRECT & IP LOANS			GUARANTY LOANS			TOTAL LOANS		
	NUMBER	GROSS \$	SA \$	NUMBER	GROSS \$	SA \$	NUMBER	GROSS \$	SA \$
1959	13	2.0	1.9	2	0.0	0.0	15	2.0	1.9
1960	33	4.5	4.1	3	0.2	0.0	36	4.7	4.1
1961	70	10.4	9.7	3	0.5	0.4	73	10.9	10.1
1962	80	14.3	13.5	1	0.5	0.2	81	14.8	13.7
1963	112	17.8	15.9	4	0.0	0.0	116	18.0	16.2
1964	152	21.8	18.7	4	0.0	0.0	156	21.9	19.7
1965	252	40.3	38.0	4	0.0	0.0	256	40.6	38.2
1966	315	54.1	50.0	1	0.0	0.0	316	54.1	50.0
1967	329	53.3	51.0	8	0.7	0.5	337	54.0	50.5
1968	350	47.7	44.8	63	4.8	4.3	413	52.5	49.0
1969	415	54.6	52.3	96	12.6	11.2	511	67.2	63.5
1970	384	49.5	46.6	120	18.0	16.4	504	67.5	62.2
1971	433	42.1	39.4	132	23.6	19.7	561	60.6	56.3
1972	482	53.9	51.4	178	26.1	23.3	620	81.7	76.1
1973	529	52.2	49.3	149	19.4	17.0	707	80.0	75.1
1974	423	41.2	39.2	59	9.4	8.0	562	50.6	47.2
1975	306	26.3	26.1	78	12.0	10.7	384	38.3	36.8
1976	220	26.3	26.1	12	0.0	0.0	298	26.3	26.1
1977	42	5.9	5.7	13	1.3	1.3	59	7.2	7.0
1978	269	35.3	34.7	85	20.0	17.3	357	55.3	48.9
1979	324	45.7	43.0	85	20.0	17.3	409	65.7	62.2
1980	326	44.5	41.9	167	37.5	30.8	487	80.9	72.8
1981	330	44.8	44.3	157	36.1	32.0	485	81.9	76.3
1982	30	5.9	5.9	146	35.6	31.4	176	41.5	37.4
1983	0	0.0	0.0	61	20.4	18.1	61	20.4	18.1
1984	0	0.0	0.0	29	29.0	25.7	29	29.0	25.7
1985	0	0.0	0.0	92	29.0	20.3	93	34.9	30.3
1986	2	4.0	4.0	95	27.5	24.2	97	31.5	27.2
1987	0	0.0	0.0	128	44.1	37.2	128	44.1	37.2
1988	0	0.0	0.0	137	43.4	35.8	137	48.0	39.2
1989	0	0.0	0.0	114	48.0	39.2	114	51.2	42.4
1990	0	0.0	0.0	118	51.2	46.5	118	51.2	46.5
1991	0	0.0	0.0	14	18.3	14.3	14	18.3	14.3
1992	0	0.0	0.0	26	32.4	26.5	26	32.4	26.5
TOTAL	6,219	829.3	792.6	2,603	652.2	557.5	8,822	1,481.4	1,350.1
							1,944		259.6

LOANS OUTSTANDING 9/30/92
00 - LESS THAN \$50,000

LOAN PROFILES
APPROVALS BY FISCAL YEAR*503* SMALL BUSINESS ADMINISTRATION
CERTIFIED DEVELOPMENT COMPANY LOAN APPROVALS
(\$ IN MILLIONS)

FISCAL YEAR	GUARANTY LOANS		
	NUMBER	SBA \$	GROSS \$
1973	0	0.0	0.0
1974	0	0.0	0.0
1975	0	0.0	0.0
1976	0	0.0	0.0
T-QTR	0	0.0	0.0
1977	0	0.0	0.0
1978	0	0.0	0.0
1979	0	0.0	0.0
1980	0	0.0	0.0
1981	197	37.6	98.9
1982	472	81.6	214.7
1983	1,356	273.6	720.3
1984	1,521	318.7	838.7
1985	1,351	283.1	745.0
1986	946	200.9	528.7
1987	3	0.3	0.8
1988	1	0.2	0.5
1989	0	0.0	0.0
1990	0	0.0	0.0
1991	0	0.0	0.0
1992	0	0.0	0.0
TOTAL	5,848	1,196.1	3,147.6
LOANS OUTSTANDING AT 9/30/92:	3,739	6,626.6	N/A

0.0 = LESS THAN \$50,000

SBA \$ = AMOUNT OF SBA DEBENTURE

GROSS \$ = ESTIMATED TOTAL AMOUNT OF FINANCING MADE AVAILABLE TO THE BORROWER AND CONSISTS OF
SBA \$, 1ST MORTGAGE FROM LENDER, AND CDC \$ INJECTION.

LOAN PROFILES
APPROVALS BY FISCAL YEAR"504" SMALL BUSINESS ADMINISTRATION
CERTIFIED DEVELOPMENT COMPANY LOAN APPROVALS
(\$ IN MILLIONS)

GUARANTY LOANS			
FISCAL YEAR	NUMBER	SBA \$	GROSS \$
1986	493	115.9	305.0
1987	1,550	357.2	940.0
1988	1,169	296.2	779.5
1989	1,041	280.2	737.4
1990	1,413	413.4	1,087.9
1991	1,427	430.2	1,132.1
1992	2,002	618.3	1,627.1
TOTAL	9,102	2,511.4	4,681.9
LOANS OUTSTANDING AT 9/30/92:	6,213	1,537.6	N/A

0.0 - LESS THAN \$50,000

SBA \$ - AMOUNT OF SBA DEBENTURE

GROSS \$ - ESTIMATED TOTAL AMOUNT OF FINANCING MADE AVAILABLE TO THE BORROWER AND
CONSISTS OF SBA \$, 1ST MORTGAGE FROM LENDER, AND CDC \$ INJECTION.

SMALL BUSINESS ADMINISTRATION
SBA LOAN APPROVALS
(\$ IN MILLIONS)

FISCAL YEAR	DIRECT & IP LOANS		
	NUMBER	GROSS \$	SBA \$
1989	5	0.7	0.7
1990	20	2.7	2.7
1991	17	2.0	2.0
1992	31	4.8	4.8
TOTAL	73	10.2	10.2
LOANS OUTSTANDING			
● 9/30/92	60		6.6
0 0 = LESS THAN \$50,000			

LOAN PROFILES
APPROVALS BY FISCAL YEARSMALL BUSINESS ADMINISTRATION
EXPORT REVOLVING LINE OF CREDIT LOAN APPROVALS
(\$ IN MILLIONS)

<u>FISCAL YEAR</u>	<u>GUARANTY LOANS</u>		
	<u>NUMBER</u>	<u>GROSS \$</u>	<u>SEA \$</u>
1982	3	1.0	0.9
1983	25	7.1	6.4
1984	32	9.5	7.9
1985	15	2.7	2.4
1986	9	2.5	2.2
1987	12	3.3	2.7
1988	13	3.5	3.0
1989	30	9.0	7.7
1990	22	4.8	4.1
1991	78	26.3	22.4
<u>1992</u>	<u>77</u>	<u>29.7</u>	<u>22.3</u>
TOTAL	238	73.1	59.6

LOAN PROFILES
APPROVALS BY FISCAL YEAR

SMALL BUSINESS ADMINISTRATION
INTERNATIONAL TRADE LOAN APPROVALS
(\$ IN MILLIONS)

<u>FISCAL YEAR</u>	<u>GUARANTY LOANS</u>		
	<u>NUMBER</u>	<u>GROSS \$</u>	<u>SBA \$</u>
1989	1	0.4	0.3
1990	9	6.4	5.3
1991	21	16.7	10.9
<u>1992</u>	<u>55</u>	<u>36.8</u>	<u>30.4</u>
TOTAL	86	60.3	46.9

SMALL BUSINESS ADMINISTRATION
MICRO LOAN APPROVALS
(\$ IN MILLIONS)

FISCAL YEAR	DIRECT & IP LOANS		
	NUMBER	GROSS \$	SBA \$
1992	35	12.7	12.7
TOTAL	35	12.7	12.7
LOANS OUTSTANDING			
● 9/30/92	6		0.9
O O = LESS THAN \$50,000			

LOAN PROFILES
APPROVALS BY FISCAL YEAR

SMALL BUSINESS ADMINISTRATION
SMALL GENERAL CONTRACTORS LOAN APPROVALS
(\$ IN MILLIONS)

FISCAL YEAR	GUARANTY LOANS		
	NUMBER	GROSS \$	SEA \$
1977	35	4.7	4.2
1978	12	1.9	1.7
1979	15	3.4	3.0
1980	18	3.7	3.3
1981	14	2.9	2.6
1982	5	1.0	0.9
1983	2	0.3	0.2
1984	10	1.9	1.7
1985	4	1.2	1.1
1986	1	0.1	0.1
1987	1	0.1	0.1
1988	1	0.1	0.1
1989	5	0.9	0.8
1990	4	0.7	0.6
1991	5	2.2	1.9
1992	7	1.7	1.4
TOTAL	139	26.8	23.7

SMALL BUSINESS ADMINISTRATION POLLUTION CONTROL FINANCING APPROVALS (\$ IN MILLIONS)		
FISCAL YEAR	NUMBER	SBA \$
1977	7	4.6
1978	18	9.8
1979	40	42.8
1980	82	98.6
1981	68	100
1982	23	50.5
1983	4	8
1984	3	1
1985	5	7.8
1986	14	25.5
1987	3	3.9
1988	1	1.3
1989	0	0
1990	0	0
1991	0	0
1992	0	0
TOTAL	268	363.8

LOAN PROFILES
LOSS RATES ON 7 (a) GUARANTEED LOANS

SMALL BUSINESS ADMINISTRATION LOSS RATE (BANK METHOD)		BANKING COMMUNITY LOSS RATE	
<u>FISCAL YEAR</u>	<u>ANNUAL NET LOSS RATE</u>	<u>CALENDAR YEAR</u>	<u>ANNUAL NET LOSS RATE</u>
1985	2.0%	1985	1.4%
1986	3.5%	1986	1.5%
1987	3.8%	1987	1.2%
1988	3.7%	1988	1.1%
1989	3.2%	1989	1.1%
1990	2.8%	1990	Unavailable
1991	2.2%	1991	Unavailable
[Source: FDIC]			

Loss Rate - Net Charge-Offs in Year Divided by Average Outstanding Portfolio in Year

7(A) LOANS: BUSINESS LOANS, EOL, ENERGY, VETS, HAL	GROUPED OR ACTUAL DATA	STUDY YEAR	ALL FYS	STUDY YEAR	ALL FYS	-----I/P-----		STUDY YEAR	ALL FYS	-----TOTAL-----	
						-----DIRECT-----				-----GUARANTY-----	
AVERAGE LOAN SIZE, GROSS DOLLAR	ACTUAL	78093	80304	220000	155295			250625	225654	246311	214469
AVERAGE LOAN SIZE, SBA DOLLAR	ACTUAL	58093	61040	149374	109130			202877	184652	199755	176575
STD. DEVIATION LOAN SIZE, GROSS DOLLAR	GROUPED	58180	61040		130000			157170	148970	151350	142410
STD. DEVIATION LOAN SIZE, SBA DOLLAR	GROUPED	58180	61040		94550			133650	130030	131890	122370
AVERAGE FIXED INTEREST RATE	ACTUAL	7.59	8.10	4.59	7.59	9.01		11.45	8.76	10.61	10.61
AVERAGE VARIABLE RATE PEGGED PRIME	ACTUAL				1.52	2.19		2.12	2.14	2.12	2.14
AVERAGE VARIABLE RATE PEGGED SBA	ACTUAL				7.00	8.80		11.20	8.70	10.50	10.50
MEDIAN FIXED INTEREST RATE	GROUPED	8.30	8.40		1.48	2.23		2.22	2.23	2.22	2.23
MEDIAN VARIABLE RATE PEGGED PRIME	GROUPED				1.99	1.99		1.99	1.99	1.99	1.99
MEDIAN VARIABLE RATE PEGGED SBA	GROUPED				.0218	.0088		.0135	.0265	.0265	.0265
STD. DEVIATION FIXED INTEREST RATE	GROUPED	.0222	.0288		.5168	.7843		.7066	.7843	.7066	.7843
STD. DEVIATION VARIABLE PEGGED PRIME	GROUPED				.6234	.5380		.6234	.5380	.6234	.5380
AVERAGE % SBA GUARANTY OR PURCHASE	ACTUAL			68	72	83		84	83	84	84
MEDIAN % SBA GUARANTY OR PURCHASE	GROUPED				73.70	81.60		82.50	81.60	82.50	82.50
STD. DEV. % SBA GUARANTY OR PURCHASE	GROUPED				106.99	.0699		.0756	.0699	.0758	.0758
AVERAGE ORIGINAL LOAN YEARS (IN YEARS)	ACTUAL	9.24	12.62	10.00	15.99	11.55		12.29	11.50	12.32	12.32
MEDIAN ORIGINAL LOAN YEARS (IN YEARS)	ACTUAL	8.81	5.63		5.15	11.03		9.01	10.35	9.68	9.68
MEDIAN CURRENT LOAN YEARS (IN YEARS)	GROUPED	6.97	11.28		14.69	9.23		9.23	7.50	9.08	9.08
STD. DEV. ORIGINAL LOAN YEARS (IN YEARS)	GROUPED	9.26	6.95		6.32	7.83		7.83	7.83	7.83	7.83
STD. DEV. ORIGINAL LOAN YEARS (IN MO.)	GROUPED	4.9	6.1		4.4	4.4		4.4	4.4	4.4	4.4
STD. DEV. CURRENT LOAN YEARS (IN MO.)	GROUPED	52	52		46	91		78	91	78	78
AVERAGE NUMBER OF EMPLOYEES	ACTUAL	10	12	3	77	16		18	16	18	18
MEDIAN NUMBER OF EMPLOYEES	ACTUAL	4	4		9	7		6	7	6	7
STD. DEVIATION NUMBER OF EMPLOYEES	GROUPED	83	60		134	42		57	43	57	57

SUMMARY STATISTICAL REPORT

SMALL BUSINESS ADMINISTRATION
AGENCY WIDE PROGRAM
FINANCIAL ASSISTANCE PROGRAM
LOAN PROFILES AS OF SEPTEMBER 30, 1992

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503 AND 504 LOANS

	GROUPED OR ACTUAL DATA	STUDY YEAR	ALL FYS	STUDY YEAR	ALL FYS	STUDY YEAR	ALL FYS	STUDY YEAR	ALL FYS	TOTAL
		-----DIRECT-----		-----I/P-----		-----GUARANTY-----				
AVERAGE LOAN SIZE, GROSS DOLLAR	ACTUAL									
MEDIAN LOAN SIZE, SBA DOLLAR	ACTUAL									
STD. DEVIATION LOAN SIZE, GROSS DOLLAR	GROUPED									
STD. DEVIATION LOAN SIZE, SBA DOLLAR	GROUPED									
AVERAGE FIXED INTEREST RATE	ACTUAL									
AVERAGE VARIABLE RATE PEGGED PRIME	ACTUAL									
AVERAGE VARIABLE RATE PEGGED SBA	GROUPED									
MEDIAN VARIABLE RATE PEGGED PRIME	GROUPED									
MEDIAN VARIABLE RATE PEGGED SBA	GROUPED									
STD. DEVIATION FIXED INTEREST RATE	GROUPED									
STD. DEVIATION VARIABLE PEGGED PRIME	GROUPED									
STD. DEVIATION VARIABLE PEGGED SBA	GROUPED									
AVERAGE % SBA GUARANTY OR PURCHASE	ACTUAL									
MEDIAN % SBA GUARANTY OR PURCHASE	GROUPED									
STD. DEV. % SBA GUARANTY OR PURCHASE	GROUPED									
AVERAGE ORIGINAL LOAN YEARS (IN YEARS)	ACTUAL									
AVERAGE CURRENT LOAN YEARS (IN YEARS)	ACTUAL									
MEDIAN ORIGINAL LOAN YEARS (IN YEARS)	GROUPED									
MEDIAN CURRENT LOAN YEARS (IN YEARS)	GROUPED									
STD. DEV. ORIGINAL LOAN YEARS (IN MO.)	GROUPED									
STD. DEV. CURRENT LOAN YEARS (IN MO.)	GROUPED									
AVERAGE NUMBER OF EMPLOYEES	ACTUAL									
MEDIAN NUMBER OF EMPLOYEES	GROUPED									
STD. DEVIATION NUMBER OF EMPLOYEES	GROUPED									

RANK ORDER DISTRICT AND BRANCH
 SMALL BUSINESS ADMINISTRATION
 AGENCY WIDE
 FINANCIAL LOAN PROGRAM
 7(A) LOANS: BUSINESS LOANS, EOL, ENERGY, VETS, HAL
 AS OF SEPTEMBER 30, 1992

FISCAL YEAR 1992 APPROVALS

CURRENT FY

RANK	LOCATION	DOLLARS IN THOUSANDS				COUNT	%
		\$ SBA	%	\$ GROSS	%		
1	0914 LOS ANGELES	220738	7.19	414105	7.30	1072	4.65
2	0912 SAN FRANCISCO	225787	4.91	283950	5.00	572	2.42
3	0920 SANTA ANA	201866	4.39	232202	4.44	628	2.73
4	0405 ATLANTA	177211	3.85	222026	3.91	619	2.69
5	0610 DALLAS	148049	3.22	181059	3.19	644	2.80
6	0610 DALLAS	118101	2.57	146803	2.59	561	2.44
7	0811 DENVER	118167	2.57	146803	2.59	561	2.44
8	1013 SEATTLE	91659	1.99	117143	1.97	366	1.56
9	0931 SACRAMENTO	88482	1.92	107434	1.89	367	1.59
10	0507 CHICAGO	87120	1.89	106102	1.87	381	1.65
11	0459 BIRMINGHAM	86476	1.88	105855	1.87	456	1.98
12	0924 SAN DIEGO	85603	1.86	104978	1.95	363	1.58
13	0524 SAN DIEGO	77802	1.69	98474	1.74	324	1.41
14	0563 MINNISON	76489	1.66	97059	1.71	317	1.34
15	0508 MINNEAPOLIS	75247	1.64	93188	1.64	320	1.39
16	0474 NASHVILLE	73799	1.60	89950	1.59	323	1.40
17	0299 NEWARK	73736	1.60	92126	1.62	361	1.57
18	0681 SAN ANTONIO	73271	1.59	91578	1.61	405	1.76
19	0181 NEW YORK	71668	1.58	86606	1.58	382	1.66
20	0202 NEW YORK	64176	1.39	79671	1.40	277	1.20
21	0515 DETROIT	63189	1.37	79880	1.41	384	1.67
22	0101 BOSTON	62339	1.35	76782	1.35	436	1.89
23	0885 HELENA	61690	1.34	74521	1.31	263	1.14
24	0455 CORAL GABLES	59429	1.29	71117	1.25	384	1.67
25	0709 KANSAS CITY	56584	1.23	69265	1.23	432	1.87
27	0252 HATO REY	56495	1.23	68055	1.22	298	1.29
28	0883 SALT LAKE CITY	53483	1.16	65803	1.16	392	1.70
29	0761 DES MOINES	53039	1.15	66262	1.17	172	.75
30	0156 HARTFORD	52936	1.15	65700	1.16	272	1.18
31	0680 OKLAHOMA CITY	52344	1.14	67925	1.20	202	.88
32	0541 OKLAHOMA CITY	51647	1.13	64665	1.14	299	1.30
33	0679 NEW ORLEANS	51647	1.13	64665	1.14	299	1.30
34	0460 CHARLOTTE	51610	1.12	61713	1.09	333	1.45
35	0248 SYRACUSE	48796	1.06	62402	1.10	221	.96
36	0968 PHOENIX	48166	1.05	58445	1.03	286	1.24
37	0562 INDIANAPOLIS	47665	1.04	58383	1.03	224	.97
38	0428 JACKSONVILLE	46836	1.02	57226	1.01	269	1.16
39	0428 JACKSONVILLE	46836	1.02	57226	1.01	269	1.16
40	1086 PORTLAND	46653	1.01	56201	.99	255	1.11
41	1094 SPOKANE	46160	1.00	57598	1.02	218	.95
42	0682 ALBUQUERQUE	45069	.98	54591	.96	240	1.04
43	0172 AUGUSTA	44032	.96	54880	.97	207	.90
44	0303 PHILADELPHIA	43093	.94	51386	.91	217	.94
45	0470 JACKSON						

Report Prepared: 03/09/93

 PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION
 TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING
 & BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.

RANK ORDER DISTRICT AND BRANCH
 7(A) LOANS, BUSINESS LOANS, EDL, ENERGY, VETS, HAL
 SMALL BUSINESS ADMINISTRATION
 AGENCY WIDE PROGRAM
 FINANCIAL ASSISTANCE PROGRAM
 LOAN PROFILES
 AS OF SEPTEMBER 30, 1992

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 CLASS A

FISCAL YEAR 1992 APPROVALS

CURRENT FY

RANK	LOCATION	\$ 58A	DOLLARS IN THOUSANDS		COUNT	%
			\$ 58A	\$ GROSS		
46	0876 SIOUX FALLS	42373	.92	51382	.91	312
47	0150 MONTPELIER	41043	.89	50420	.89	299
48	0286 BUFFALO	40003	.87	49227	.87	269
49	0157 CATHAM	39976	.87	49744	.88	297
50	0557 SPRINGFIELD	39448	.86	48700	.86	286
51	0304 RICHMOND	37442	.81	45670	.81	145
52	0678 LURBOCK	37309	.81	44173	.78	270
53	0721 SPRINGFIELD	37032	.80	44757	.79	275
54	0875 FARGO	36765	.80	47637	.84	273
55	0689 LITTLE ROCK	35728	.78	44825	.79	171
56	0154 COLUMBIA	35434	.77	43531	.77	150
57	1084 ANCHORAGE	35284	.75	42931	.71	150
58	1087 BOISE	32791	.71	39188	.69	232
59	0549 CLEVELAND	31806	.69	38988	.69	186
60	0358 PITTSBURGH	31437	.68	38587	.68	239
61	0593 COLUMBUS	30856	.67	37373	.66	173
62	0736 CEDAR RAPIDS	28551	.58	31951	.56	235
63	0159 WASHINGTON DC	28511	.58	31951	.56	235
64	0457 LOUISVILLE	26981	.54	30562	.53	103
65	0219 ROCHESTER	21884	.48	26988	.48	141
66	0944 LAS VEGAS	21513	.47	25760	.45	126
67	0390 CLARKSBURG	21366	.46	25462	.45	124
68	0165 PROVIDENCE	20555	.45	25178	.44	119
69	0155 MILWAUKEE	19448	.41	23565	.40	128
70	0677 EL PASO	18940	.41	23565	.40	128
71	0206 ELMIRA	18350	.40	23197	.41	154
72	0373 TOWSON	17515	.38	20894	.37	118
73	0545 CINCINNATI	17277	.38	21703	.38	87
74	0235 MELVILLE	17025	.37	20389	.36	117
75	0897 CLEVELAND	16457	.36	19812	.35	133
76	0336 CLEVELAND	16457	.36	19812	.35	133
77	0637 CORPUS CHRISTI	9375	.20	11187	.20	57
78	0341 WILMINGTON	9037	.20	12101	.21	50
79	0951 HONOLULU	9014	.20	10668	.19	81
80	0318 WILKES-BARRE	7279	.16	8604	.15	43
81	0130 SPRINGFIELD	6394	.14	8542	.15	43
82	0316 HARRISBURG	5104	.11	6355	.11	33
TOTALS: CLASS B, CURRENT FY		4601561	99.98	5674034	100.04	23036
						100.06

Report Prepared 03/09/93

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CURRENT FY

FISCAL YEAR 1992 APPROVALS

RANK	LOCATION	DOLLARS IN THOUSANDS				COUNT	%
		\$ SBA	%	\$ GROSS	%		
1	0912 SAN FRANCISCO	25608	4.13	25608	4.13	52	2.59
2	0883 SALT LAKE CITY	23980	3.93	23980	3.93	186	4.28
3	0508 MINNEAPOLIS	23275	3.76	23275	3.76	86	4.28
4	0811 DENVER	21024	3.39	21024	3.39	75	3.73
5	1013 SEATTLE	20203	3.26	20203	3.26	53	2.64
6	0943 LOS ANGELES	19473	3.14	19473	3.14	66	3.29
7	0964 SAN DIEGO	18850	3.04	18850	3.04	46	2.29
8	0459 BIRMINGHAM	18891	3.04	18891	3.04	46	2.29
9	0460 CHARLOTTE	17674	2.85	17674	2.85	64	3.13
10	0405 ATLANTA	16897	2.73	16897	2.73	54	2.69
11	0455 CORAL GABLES	16266	2.62	16266	2.62	56	2.79
12	0568 DETROIT	15769	2.54	15769	2.54	58	2.89
13	0468 OMAHA	15441	2.49	15441	2.49	39	1.94
14	0562 INDIANAPOLIS	14464	2.39	14464	2.39	32	1.59
15	0914 LOS ANGELES	14290	2.31	14290	2.31	45	2.19
16	0235 MELVILLE	14157	2.28	14157	2.28	36	1.79
17	0101 BOSTON	13410	2.16	13410	2.16	38	1.89
18	0931 SACRAMENTO	13386	2.16	13386	2.16	39	1.94
19	0512 SAN JOSE, CALIF	13382	2.16	13382	2.16	27	1.34
20	0169 CONCORD, N.H.	12948	2.04	12948	2.04	30	2.79
21	0353 WASHINGTON DC	11241	1.81	11241	1.81	48	2.39
22	1087 BOISE	11239	1.81	11239	1.81	48	2.39
23	0545 CINCINNATI	10741	1.73	10741	1.73	52	2.59
24	0593 COLUMBUS	9888	1.60	9888	1.60	45	2.24
25	0374 MILWAUKEE	9803	1.58	9803	1.58	28	1.39
26	0374 MILWAUKEE	9763	1.58	9763	1.58	33	1.84
27	0563 MADISON	9200	1.48	9200	1.48	37	1.84
28	0709 KANSAS CITY	8974	1.45	8974	1.45	37	1.84
29	1086 PORTLAND	8925	1.44	8925	1.44	26	1.29
30	0549 CLEVELAND	8248	1.33	8248	1.33	31	1.54
31	0761 OES MOINES	7960	1.28	7960	1.28	33	1.64
32	0741 SPRINGFIELD	7543	1.22	7543	1.22	26	1.29
33	0248 SYRACUSE	7433	1.22	7433	1.22	26	1.29
34	0875 FARGO	7020	1.13	7020	1.13	20	1.00
35	1084 SPOKANE	6939	1.12	6939	1.12	29	1.44
36	0988 PHOENIX	6817	1.10	6817	1.10	32	1.59
37	0679 NEW ORLEANS	6703	1.08	6703	1.08	22	1.10
38	0310 KANSAS CITY	6702	1.08	6702	1.08	21	1.05
39	0310 KANSAS CITY	6702	1.08	6702	1.08	21	1.05
40	0517 SPRINGFIELD	6055	.98	6055	.98	15	.75
41	0942 FRESNO	6024	.97	6024	.97	24	1.19
42	0202 NEW YORK	5600	.90	5600	.90	16	.80
43	0885 HELENA	5482	.88	5482	.88	18	.90
44	0911 MINNEAPOLIS	5222	.84	5222	.84	12	.60
45	0671 HOUSTON	5100	.82	5100	.82	14	.70

Report Prepared. 03/09/93

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RANK ORDER DISTRICT AND BRANCH
503 AND 504 LOANS
SMALL BUSINESS ADMINISTRATION
FINANCIAL ASSISTANCE PROGRAM
AS OF SEPTEMBER 30, 1992

FISCAL YEAR 1992 APPROVALS

CURRENT FY

RANK		LOCATION-----		SBA		DOLLARS IN THOUSANDS-----		COUNT		%	
				\$		\$					
46	0681	SAN ANTONIO	5083	.82	5083	.82	17	.85			
47	0685	PROVINCETOWN	4451	.75	4451	.75	12	.70			
48	0680	OKLAHOMA CITY	4437	.71	4437	.71	11	.67			
49	0669	LITTLE ROCK	4140	.67	4140	.67	11	.59			
50	0491	JACKSON ILLE	3860	.62	3860	.62	14	.70			
51	0252	HATO RE	3700	.60	3700	.60	15	.75			
52	0678	LURBOCK	3486	.56	3486	.56	14	.70			
53	0100	ALBUQUERQUE	3390	.55	3390	.55	10	.50			
54	0368	PITTSBURGH	2981	.48	2981	.48	9	.45			
55	0172	AUGUSTA	2960	.48	2960	.48	9	.45			
56	0130	SPRINGFIELD	2748	.44	2748	.44	10	.50			
57	0457	LOUISVILLE	2652	.43	2652	.43	9	.45			
58	0464	COLUMBIA	2639	.43	2639	.43	5	.25			
59	0222	NEWARK	2564	.41	2564	.41	4	.20			
60	0322	NEWARK	2394	.37	2394	.37	9	.45			
61	0303	PHILADELPHIA	2210	.36	2210	.36	7	.35			
62	0507	CHICAGO	2210	.36	2210	.36	8	.40			
63	0390	CLARKSBURG	2148	.35	2148	.35	5	.25			
64	0150	MONTPELIER	1900	.31	1900	.31	4	.20			
65	0757	WICHITA	1804	.29	1804	.29	9	.45			
66	0315	STONEMOUNT	1732	.28	1732	.28	5	.25			
67	0341	WILMINGTON	1475	.24	1475	.24	3	.15			
68	0296	BUFFALO	1263	.20	1263	.20	3	.15			
69	0766	OMAHA	1213	.20	1213	.20	2	.10			
70	0677	EL PASO	1048	.17	1048	.17	2	.10			
71	0219	ROCHESTER	921	.15	921	.15	2	.10			
72	0637	CORPUS CHRISTI	810	.13	810	.13	2	.10			
73	0340	CHICAGO	810	.13	810	.13	2	.10			
74	0316	HARTSBURG	702	.11	702	.11	4	.20			
75	0206	ELMIRA	575	.09	575	.09	2	.10			
76	0156	HARTFORD	423	.07	423	.07	2	.10			
77	1084	ANCHORAGE	221	.04	221	.04	3	.15			
78	0639	HARLINGEN	212	.03	212	.03	1	.05			
79	0716	WILKES BARRE	174	.03	174	.03	1	.05			
80	0438	CELESTINE	174	.03	174	.03	1	.05			
	0682	GULFPORT	.00	.00	.00	.00		.00			
		ALBUQUERQUE	.00	.00	.00	.00		.00			
TOTALS: CLASS C, CURRENT FY				619667	99.95	619667	99.95	2009	100.07		

Report Prepared: 03/09/93

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RANK ORDER DISTRICT AND BRANCH
EOL LOANS

SMALL BUSINESS ADMINISTRATION
FINANCIAL ASSISTANCE PROGRAM
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AS OF SEPTEMBER 30, 1992

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CLASS C

CURRENT FY

RANK	LOCATION	\$ SBA	\$ GROSS	COUNT	%
1	0252 HATO BEI	7884	47.08	127	50.40
2	0438 GULFPORT	2445	14.60	31	12.30
3	0459 BIRMINGHAM	1481	8.84	18	7.14
4	0470 JACKSON	835	4.99	9	3.57
5	1094 ANCHORAGE	558	3.33	8	3.17
6	0639 HARTFORD	455	2.74	6	2.38
7	0639 HARTFORD	455	2.74	6	2.38
8	0202 NEW YORK	291	1.74	3	1.19
9	0951 HONOLULU	255	1.52	5	1.98
10	1094 SPOKANE	250	1.49	2	.79
11	0942 FRESNO	200	1.19	2	.79
12	0815 CHICAGO	160	.96	1	.40
13	0507 CHICAGO	150	.90	1	.40
14	0515 DETROIT	150	.90	1	.40
15	0721 SPRINGFIELD	142	.84	6	2.38
16	0768 ST LOUIS	132	.79	3	1.19
17	0460 CHARLOTTE	127	.76	3	1.19
18	0679 EL PASO ROCK	125	.75	2	.79
19	0474 NASHVILLE	181	.48	2	.79
20	0474 NASHVILLE	181	.48	2	.79
21	0593 COLUMBUS	78	.46	2	.79
22	0206 ELMIRA	70	.42	3	1.19
23	0165 PROVIDENCE	60	.36	1	.40
24	0390 CLARKSBURG	40	.24	1	.40
25	0481 JACKSONVILLE	30	.18	1	.40
26	0491 JACKSONVILLE	30	.18	1	.40
27	0709 KANSAS CITY	20	.12	1	.40
28	0248 SYRACUSE	11	.07	1	.40
29	1087 BOISE	9	.05	1	.40
30	1086 PORTLAND	7	.04	1	.40
31	0563 PASADENA	7	.04	1	.40
0130 SPRINGFIELD		.00	.00	.00	.00
0150 MONTPELIER		.00	.00	.00	.00
0156 HARTFORD		.00	.00	.00	.00
0172 AUGUSTA		.00	.00	.00	.00
0189 CONCORD		.00	.00	.00	.00
0218 ROCHESTER		.00	.00	.00	.00
0235 NEWARK		.00	.00	.00	.00
0296 BUFFALO		.00	.00	.00	.00
0299 NEWARK		.00	.00	.00	.00
0303 PHILADELPHIA		.00	.00	.00	.00
0304 RICHMOND		.00	.00	.00	.00
0316 HARRISBURG		.00	.00	.00	.00
0318 WILKES-BARR		.00	.00	.00	.00

Report Prepared 03/09/93

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CLASS C

SMALL BUSINESS ADMINISTRATION
AGENCY WIDE
FINANCIAL ASSISTANCE PROGRAM
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RANK ORDER DISTRICT AND BRANCH
EOL LOANS

FISCAL YEAR 1992 APPROVALS

CURRENT FY

RANK	LOCATION	\$ SBA	\$ GROSS	COUNT	%
0341	WILMINGTON	.00	.00	.00	.00
0353	WASHINGTON DC	.00	.00	.00	.00
0358	PITTSBURGH	.00	.00	.00	.00
0403	ATLANTA	.00	.00	.00	.00
0403	ATLANTA	.00	.00	.00	.00
0455	CORAL GABLES	.00	.00	.00	.00
0464	COLUMBI	.00	.00	.00	.00
0508	MINNEAPOLIS	.00	.00	.00	.00
0517	SPRINGFIELD	.00	.00	.00	.00
0520	INDIANAPOLIS	.00	.00	.00	.00
0545	CLEVELAND	.00	.00	.00	.00
0549	CLEVELAND	.00	.00	.00	.00
0562	INDIANAPOLIS	.00	.00	.00	.00
0610	DALLAS	.00	.00	.00	.00
0671	HOUSTON	.00	.00	.00	.00
0678	LUBBOCK	.00	.00	.00	.00
0680	INDIANAPOLIS	.00	.00	.00	.00
0681	SAN ANTONIO	.00	.00	.00	.00
0682	ALBUQUERQUE	.00	.00	.00	.00
0736	CEDAR RAPIDS	.00	.00	.00	.00
0761	DES MOINES	.00	.00	.00	.00
0769	OMAHA	.00	.00	.00	.00
0801	MINNETONKA	.00	.00	.00	.00
0811	DENVER	.00	.00	.00	.00
0875	FARGO	.00	.00	.00	.00
0876	STOUX FALLS	.00	.00	.00	.00
0883	SALT LAKE CITY	.00	.00	.00	.00
0885	HELENA	.00	.00	.00	.00
0892	CASPER	.00	.00	.00	.00
0892	SAN FRANCISCO	.00	.00	.00	.00
0914	LOS ANGELES	.00	.00	.00	.00
0920	SANTA ANA	.00	.00	.00	.00
0931	SACRAMENTO	.00	.00	.00	.00
0944	LAS VEGAS	.00	.00	.00	.00
0954	SAN DIEGO	.00	.00	.00	.00
0981	PHOENIX	.00	.00	.00	.00
1013	SEATTLE	.00	.00	.00	.00
TOTALS	CLASS D, CURRENT FY	16748	100.01	16748	100.01
				252	100.00

Report Prepared: 03/09/93

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RANK ORDER DISTRICT AND BRANCH
ALL LOANS
SMALL BUSINESS ADMINISTRATION
FINANCIAL ASSISTANCE PROGRAM
LOAN PROFILES
AS OF SEPTEMBER 30, 1992

CURRENT FY

FISCAL YEAR 1992 APPROVALS

RANK	LOCATION	\$ SBA	\$ GROSS	%	COUNT	%
1	0914 LOS ANGELES	345028	6.61	428995	6.81	1104
2	0912 SAN FRANCISCO	251395	4.81	309268	4.91	931
3	0920 SANTA ANA	215248	4.12	265584	4.22	655
4	0905 TULSA	154157	3.92	239522	3.90	625
5	0908 DENVER	147157	3.72	218522	3.62	593
6	0811 DENVER	137666	2.64	163539	2.60	651
7	0671 HOUSTON	123201	2.36	151903	2.41	575
8	1013 SEATTLE	111862	2.14	131946	2.10	539
9	0459 BIRMINGHAM	105307	2.02	124686	1.98	539
10	0954 SAN DIEGO	104463	2.00	123838	1.97	409
11	0903 MINNEAPOLIS	99568	1.95	120820	1.92	483
12	0508 MINNEAPOLIS	99568	1.95	120820	1.92	483
13	0507 CHICAGO	89330	1.71	108312	1.72	389
14	0563 MADISON	86237	1.65	104818	1.67	360
15	0189 CONCORD	86016	1.65	104223	1.66	455
16	0942 FRESNO	83826	1.61	104498	1.66	348
17	0885 DETROIT	79877	1.55	92432	1.58	378
18	0885 DETROIT	79877	1.55	92432	1.58	378
19	0681 SAN ANTONIO	78799	1.51	97189	1.54	378
20	0202 NEW YORK	78206	1.50	93663	1.49	465
21	0455 CORAL GABLES	77956	1.49	90787	1.44	319
22	0474 NASHVILLE	77651	1.49	95592	1.52	329
23	0101 BOSTON	76599	1.47	93290	1.49	322
24	0458 KANSAS CITY	76599	1.47	93290	1.49	322
25	0480 CHARLOTTE	69821	1.33	82359	1.31	363
26	0709 KANSAS CITY	68403	1.31	80091	1.27	421
27	0885 HELENA	67821	1.30	82264	1.31	454
28	0768 ST LOUIS	63252	1.21	72679	1.15	326
29	0562 INDIANAPOLIS	62650	1.20	72929	1.16	338
30	0543 INDIANAPOLIS	62650	1.20	72929	1.16	338
31	0103 MEMPHIS	62143	1.18	72733	1.17	426
32	0252 HATO REV	60684	1.16	72940	1.16	485
33	0767 WICHITA	59402	1.14	71569	1.14	440
34	0248 SYRACUSE	59041	1.13	69144	1.10	356
35	0679 NEW ORLEANS	58952	1.13	69530	1.10	256
36	0680 OKLAHOMA CITY	57463	1.11	66121	1.11	285
37	0103 MEMPHIS	56861	1.07	69219	1.05	285
38	0988 PHOENIX	55613	1.07	69219	1.10	253
39	0156 HARTFORD	53614	1.03	66837	1.06	174
40	1094 SPOKANE	53592	1.03	63140	1.00	284
41	0491 JACKSONVILLE	51525	.99	62243	.99	238
42	0172 AUGUSTA	48029	.92	57551	.91	248
43	0304 RICHMOND	46705	.89	54776	.87	227
44	0304 RICHMOND	46705	.89	54776	.87	227
45	0303 PHILADE. PHIA	46317	.89	57165	.91	214

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Report Prepared 03/09/93

RANK ORDER DISTRICT AND BRANCH
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SMALL BUSINESS ADMINISTRATION
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RANK ORDER DISTRICT AND BRANCH
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FISCAL YEAR 1992 APPROVALS

CURRENT FY

		-----LOCATION-----		DOLLARS IN THOUSANDS		COUNT		%	
RANK				\$ SBA	%	\$ GROSS	%		
46	0682	ALBUQUERQUE		45160	.88	57598	.92	218	.87
47	0517	SPRINGFIELD		45503	.87	52280	.83	291	.85
48	0721	SPRINGFIELD		44575	.85	53114	.84	317	1.27
49	0876	STOUX FALLS		44105	.84	50427	.80	280	1.12
50	1087	BOISE		44030	.84	54657	.87	293	1.17
51	0805	WARGO		43785	.84	52320	.83	303	1.21
52	0402	MUNDELEIGH		42445	.82	50002	.81	300	1.20
53	0296	BUFFALO		42178	.79	51037	.72	192	.77
54	0766	OMAHA		41239	.78	45231	.76	284	1.13
55	0944	LAS VEGAS		40987	.78	47659	.75	218	.87
56	0678	LUBBOCK		40795	.78	47261	.75	217	.87
57	0593	COLUMBUS		40744	.78	47236	.75	217	.87
58	0669	EL PASO		40084	.77	46170	.73	142	.58
59	0669	LITTLE ROCK		39858	.76	46170	.73	142	.58
60	0464	COLUMBIA		38070	.73	42663	.68	178	.71
61	0353	WASHINGTON DC		37039	.71	42134	.67	153	.61
62	1084	ANCHORAGE		35007	.67	42134	.67	153	.61
63	0358	PITTSBURGH		34418	.66	41568	.66	251	1.00
64	0235	MELVILLE		31182	.60	34546	.55	153	.61
65	0358	CHICAGO		30718	.54	32544	.52	139	.56
66	0457	LOUISVILLE		27913	.54	32135	.51	116	.46
67	0736	CEDAR RAPIDS		26725	.51	32135	.51	238	.94
68	0165	PROVIDENCE		25416	.49	30039	.48	131	.52
69	0373	TOWSON		24212	.46	27591	.44	136	.54
70	0390	CLARKSBURG		23514	.45	27610	.44	129	.52
71	0617	EL PASO		22932	.44	28036	.45	143	.57
72	0617	EL PASO		22932	.44	28036	.45	143	.57
73	0639	HARTINGEN		19270	.37	22867	.36	110	.46
74	0206	ELMIRA		19052	.36	23899	.38	158	.63
75	0897	CASPER		17377	.33	20732	.33	117	.47
76	0951	HONOLULU		14236	.27	15890	.25	93	.37
77	0438	GULFPORT ON		12621	.24	14542	.23	99	.40
78	0438	GULFPORT ON		10526	.20	13577	.22	53	.21
79	0637	CORPUS CHRISTI		10526	.20	13577	.22	53	.21
80	0130	SPRINGFIELD		9142	.18	11290	.18	53	.21
81	0318	WILKES-BARRE		7491	.14	8816	.14	44	.18
82	0316	HARRISBURG		5982	.11	7183	.11	34	.14
TOTALS.				5221228	99.98	6293700	100.00	25045	100.02

Report Prepared: 03/09/93

PERCENTAGES ARE ROUNDED; MAY NOT TOTAL EXACTLY 100. DOLLARS ARE ROUNDED AFTER CATEGORY SUMMATION.
TOTALS MAY VARY SLIGHTLY AMONG REPORTS. OFFICIAL SBA FIGURES ARE REPORTED BY THE OFFICE OF PLANNING
& BUDGET. ANY DISCREPANCY BETWEEN THEIR REPORT AND THIS REPORT WILL BE RESOLVED IN THEIR FAVOR.

SMALL BUSINESS ADMINISTRATION
FINANCIAL ASSISTANCE PROGRAM
LOAN PROFILES AS OF SEPTEMBER 30, 1992

The following selection criteria were used to include loans in these profiles:

Only business-portfolio loan cases are considered. Notes are not counted. Only outstanding loans are included in the ALL FYS group. That is, loans that are in regular servicing or in liquidation are counted, but loans that are fully undisbursed, canceled, paid in full or charged off are not counted. The FISCAL YEAR APPROVALS group counts gross approvals less cancellations. That is, loans that are in regular servicing, in liquidation, fully undisbursed, paid in full or charged off are counted but loans that are canceled are not counted. Loans are counted in the current fiscal year group based on the initial approval report date (loan funded date).

A loan is classified as DIRECT, I/P or GUARANTY based on its current loan-type code. The dollar amounts used are the approved amount/gross and approved amount/SBA share. Full-loan dollar amounts are summed. The sums are divided by 1,000 just before printing.

REPORT 1:

Classification is based on the business organization code: 1 is INDIVIDUAL, 2 is PARTNERSHIP, 3 is CORPORATION. Any other value is considered unspecified.

REPORT 2:

Classification is based on the minority code: 0 is BLACK, 1 is PUERTO RICAN, 2 is AMERICAN INDIAN, 3 is HISPANIC, 4 is ASIAN, 5 is ESKIMO or ALEUT, 6 is UNDETERMINED, 7 is OTHERS, INCLUDING WHITES, 8 is MULTIGROUP. All other values are included in UNDETERMINED.

REPORT 3:

Classification is based on several codes: count loans as WOMEN when women principal code is 2 and no other values are counted; count loans as VETERAN when veteran principal code is 2 or 3 (as VIETNAM VETERAN when code is 2) and no other values are counted; count loans as FRANCHISE when the 5-digit business franchise code is greater than 00001; count loans as PREFERRED LENDER when certification program code is P; count as CERTIFIED LENDER when the code is A or D.

- REPORT 4:
Classification is based on approved gross amount.
- REPORT 5:
Classification is based on approved amount/SBA share.
- REPORTS 6, 7 and 8:
Classification is based on the repayment interest rate/SBA, the repayment percentage participation/SBA, the repayment interest rate/bank, the repayment percentage participation/bank and the repayment variable interest rate. Each loan is counted on only one of the three reports.
- A loan is considered to be a FIXED RATE loan if the variable interest rate code is not P and is not S. The fixed rate is computed as the repayment interest rate/SBA for direct loans. It is computed as the repayment interest rate/bank for guaranty loans. It is computed as the average of the interest rate/SBA and interest rate/bank weighted by the percent participation for I/P loans.
- A loan is considered to be VARIABLE RATE/PRIME PLUS when the variable interest rate code is a P. It is considered to be VARIABLE RATE/SBA OPTIONAL PEG RATE when the variable interest rate code is an S.
- REPORT 9:
Classification is based on the SIC code. The value of the first two positions of the code is used as listed on the report. All other values are counted as NONE OF THE ABOVE.
- REPORT 10:
Classification is based on the current servicing office number.
- REPORT 11:
Classification is based on SBA participation percentage.
- REPORT 12:
Classification is based on the maturity term which is in months; only complete years are used. For example, a 36-month term is considered 1-3 years but a 37-month term is considered 4-5 years.

REPORT 13:

Classification is based on the difference in days between the repayment maturity date and the as-of date of the report. The number of days is divided by the average number of days in a month. The same complete-year criteria are used as are used in report 12. Classification information is not available for undisbursed loans.

REPORT 14:

Classification is based on the new or existing business code. Values of 1 and E are counted as EXISTING, values of 2 or N are counted as NEW, and all other values are counted as OTHER.

REPORT 15:

Classification is based on the number of existing employees.

REPORT 16:

Classification is based on the initial approval report date (loan funded date). Current year approved loans are included in this report.

REPORT 19:

Classification is based on the original servicing office number.

EXHIBIT IV

BANK OF AMERICA
COMMUNITY AND THE BANK NEWSLETTER
SPRING 1993 EDITION

NEW IDEAS FOR COMMUNITY DEVELOPMENT COMMENTARY
PAGES 1 AND 5

Community

SPRING 1993

the Bank

VOL. 3 NO. 1

BankAmerica's Corporate Responsibility Newsletter

BofA targets California economy

Bank of America introduced the California Enterprise Initiative in April, a broad-based effort to help stimulate the California economy through programs targeting small business, minority- and women-owned businesses and first time homebuyers.

The centerpiece of the Bank of America California Enterprise Initiative is a lending target of \$1.8 billion for small businesses over the next three years including both new and renewed credits. The bank will also expedite processing of small business loan applications and sponsor a series of small business seminars in 1993.

See NEWS IN ACTION page 2



Bank of America small business customer Connie Bass runs her own bakery, Cookies by Connie, in Los Angeles, and is one of the subjects of the bank's advertising campaign "Banking on America." She is one of the many small business owners targeted by the bank's new California Enterprise Initiative.

TARGET
\$1.8 billion
for small
businesses
over the next
three years

COMMENTARY

New ideas for community development

By Don Mullane
Executive Vice President
Bank of America

American voters elected Bill Clinton on a platform of reinvesting in affordable housing, economic development and other foundations of our communities.

As a banker, and as a citizen, I applaud the president for his initiative, but offer a word of caution.

As Mr. Clinton moves ahead with his community development initiative, he should guard against the potential to create a new bureaucracy that would use capital for administrative and start-up costs instead of channeling it directly into the communities where it is so critically needed.

The administration's most recent community development proposals have moved away from Clinton's original idea for a "network" of 100 new community development banks toward a plan that relies

See COMMENTARY page 5

Family Savings leases BofA branch

Bank of America enhanced its support of minority-owned financial institutions in May by agreeing to lease a former branch site in Compton to Family Savings Bank, an African American-owned thrift serving the Los Angeles area.

The deal follows earlier announcements by Bank of America to sell two branches to Founders National Bank, an African American-owned commercial bank in Los Angeles. BofA also agreed to make a \$1 million equity investment in Founders.

Bank of America closed the Compton Branch at 1902 W. Rosecrans Avenue following the merger with Security Pacific

Bank, consolidating it into a Bank of America branch located one mile away. In addition to leasing the site to Family Savings, BofA will also donate two ATMs located at the branch.

"We made a commitment to the community that when the former Security Pacific branch was consolidated into a BofA branch, we would aggressively pursue another financial institution to occupy the property," said Barbara Fallon-Walsh, executive vice president and region manager for Bank of America. "We are delighted that another financial institution will be joining us in Compton and we look forward to the competition."

Family Savings Bank is the third largest African American owned and operated financial institution in the country, with assets totaling more than \$150 million.

The institution was founded in 1948 and currently operates branches in Pasadena and Compton in addition to its main office in the Crenshaw District of Los Angeles.

"We look forward to a productive business relationship with Bank of America and to serving the citizens of Compton as we expand and move into our new location," said Ronald Thigpen, executive vice president and chief operating officer of Family Savings Bank.

ROUNDTABLE



A roundtable discussion on
community development banking
see page 6

New initiative targets California economy

Continued from p. 111 page

In addition, the California Enterprise Initiative includes a special program for first-time home buyers allowing down payments of 7 percent on home purchase loans and a pilot program for loans to minority and women-owned businesses.

California Governor Pete Wilson called the small business program an example of private sector activism.

We salute Bank of America's commitment to small business through financial and technical assistance, Gov. Wilson said.

This is the type of private-sector activism that will enhance the small business initiatives we've proposed and help jumpstart one of California's most important assets — our entrepreneurs.

Bank of America chairman and CEO Richard Rosenberg said the Bank of America initiative was developed to provide more resources in areas that will help drive California's economic growth.

Our intention is that the Bank of America California En-

terprise Initiative will provide programs to help stimulate key markets in California — small businesses, residential housing and emerging minority- and women-owned enterprises — in an effort to hasten the state's economic recovery, Rosenberg said.

The \$1.8 billion lending target for small businesses represents a potential increase of 25 percent in the bank's current volume of small business financing, said Executive Vice President Jerry Bowman, head of the Business Banking Division.

Bank of America will also sponsor 20 seminars for small businesses in 1993 that will feature information on budgeting, bookkeeping, marketing and ways to improve business.

We're taking these steps to support the growth and job-creation abilities of this vitally important sector of the state's economy, Bowman said.

"Businesses of all sizes are being challenged by the economy, particularly in California."

—Bank of America Executive Vice President Jerry Bowman

"Businesses of all sizes are being challenged by the economy, particularly in California. We believe we are in a transition economy that is beginning to recover from a major recession and small businesses will be a key in driving that recovery."

Small businesses are generally regarded as the source of two-thirds of all new jobs in the country and up to half of the nation's economic output, according to Bowman. Some 14 million firms, each generating up to \$10 million in sales, comprise the small business sector in California. Approximately two-thirds of these firms have annual sales ranging up to \$500,000.

Loans included in the \$1.8 billion target can be used for a variety of purposes, including commercial loans, letter of credit financing, commercial real estate lines of credit, equity loans, and renewals of existing credits.

In addition to the \$1.8 billion target, Bank of America Community Development Bank has an existing goal of \$65 million annually in Small Business Administration and other government-assisted small business loans in California.

Bank of America has taken other steps during the past year to support small business. The bank introduced a new lending product, Advantage Business Credit, which provides conventional small business loans of \$50,000 or less to meet the needs of a critical market segment.

BoA has also streamlined and automated its application process for small business loans, and established two small business underwriting centers to expedite the processing of applications and other business services. Business loans and services are available throughout BoA's California branch system.

The Business Banking Division provides small business loans of up to \$750,000. Approximately 80 percent of current volume is comprised of loans of \$100,000 or less.

Seafirst earns an 'outstanding' CRA rating

Seafirst Bank, bankAmerica's Washington state affiliate, has earned a rating of "outstanding" for its 1991-92 Community Reinvestment Act performance. Seafirst is the first major bank in Washington state to earn an "outstanding" — the highest rating possible from its primary regulator, the Office of the Comptroller of the Currency (OCC).

Our employees have a lot to be proud of, said Seafirst chairman Luke Helms. Their commitment to the spirit of the Community Reinvestment Act is evident throughout our evaluation. We applaud them



Seafirst's Seattle headquarters. An outstanding CRA program.

for their efforts.

According to the OCC, Seafirst provides leadership in promoting various projects that advance economic growth within its community. Seafirst has worked closely with government and community groups to promote economic development and the OCC. And it continues to be highly involved in this process statewide.

Special recognition was given to Seafirst's CRA lending goal of at least \$1.5 billion over 10 years. The annual average lending goal of \$150 million includes \$36 million in small business loans, \$112.5 million in housing and

\$1.5 million in consumer loans.

The OCC also highlighted the bank's focus on the small business market through its Community Business Center, an internal bank department designed to meet the needs of businesses with borrowing needs of under \$25,000. One noteworthy program includes Seafirst Business Investment Loan Program, which provided more than \$2.4 million in special financing for select businesses in Central and Southeast Seattle. Seafirst has approved 43 loans through this program — loans that are directly responsible for creating or retaining 436 jobs within these communities.



Consumer Credit Counselor Jerri Bennett, right, and clients at the Community Financial Resource Center

South Central L.A.'s new resource center

Community and business leaders came together in May to celebrate another tangible step forward in the rebuilding of Los Angeles — the opening of the Community Financial Resource Center in South Central Los Angeles.

The resource center provides a variety of financial services and counseling to consumers, entrepreneurs and established small businesses.

It was one of the key recommendations of the Los Angeles Community Reinvestment Committee, a task force appointed by the City Council to explore ways to enhance financial services and economic development in lower-income Los Angeles neighborhoods.

"The work of this committee has been challenging in its scope, but the reward has been the opportunity to forge a significant new partnership among the community, City Hall and

COMMUNITY FINANCIAL RESOURCE CENTER

Located at 4060 South Figueroa Street, the center offers a variety of services, including:

- Business plan development and loan packaging for expanding businesses, helping existing businesses network with potential customers and providing business access to capital
- Counseling on debt management, budgeting, repayment plans and referrals to social and legal services provided by the Consumer Credit Counseling Center of Los Angeles
- Equity-like investments ranging from \$25,000 to \$250,000 for small businesses seeking to expand and in need of debt/equity capital, provided by the Southern California Business Development Corporation
- Information on basic banking services, credit and loans, and crisis management for bankruptcy, provided by the Legal Aid Foundation of Los Angeles
- Counseling and loans for existing or potential home owners, and youth employment opportunities, provided by Neighborhood Housing Services
- Workshops for start-up and existing micro businesses and loans up to \$25,000, provided by the Coalition for Women's Economic Development

financial institutions," said BankAmerica Executive Vice President Don Mullane, who chaired the committee. "We expect the Community Finan-

cial Resource Center in particular to have a strong, positive and immediate impact on residents and businesses in the South Central community."

Los Angeles City Council member Rita Walters praised the financial institutions that have contributed to the Resource Center and called on other banks and savings and loans to follow their lead.

"To ensure that Los Angeles is a better place in which to live, we must continue to work together," Walters said.

"This is a major step forward. While there are many more steps to go, I am confident the work of the Los Angeles Community Reinvestment Committee bodes well for the future."

In addition to supporting the Resource Center, many of the banks that participated in the Community Reinvestment Committee, including Bank of America, have pledged to place funds on deposit with a new federally chartered credit union that will serve the South Central Los Angeles area.

BofA branch employees to take CRA exam

Thousands of Bank of America branch employees are being reacquainted with the Community Reinvestment Act (CRA), the federal legislation that encourages financial institutions to meet the needs of lower-income communities.

Employees who serve customers in California branches are undergoing half-hour briefings on the bank's CRA programs. Employees must pass a 17-question exam to be CRA-certified.

Now that BankAmerica and Security Pacific have merged, we want to educate employees of the new corporation about the bank's commitment to CRA, said Vice President Susan Howard of Corporate Community Development. Both banks had CRA programs, but they were slightly different.

Howard is conducting two-hour CRA training sessions throughout California for branch



Vice President Susan Howard of Corporate Community Development

managers. Armed with policy manuals and BoFA's own CRA video, managers will update their employees in 30-minute staff meetings.

Howard will stress five checkpoints regulators use in grading

banks on their CRA commitment. They include:

- How the bank ascertains credit needs

- The types of credit products the bank develops to meet special credit needs and how it markets them

- The geographic distribution of branches and the bank's record of branch closures and new branch openings

- Avoiding discrimination and other illegal credit practices

BankAmerica has established a 10-year \$12 billion goal for low-income lending in the western U.S., one of the largest lending goals of its kind in the banking industry.

Federal regulators rated Bank of America's California CRA programs "outstanding" in 1991, the highest rating possible.

Examiners from the Office of the Comptroller of the Currency return later this year to again assess the bank's efforts.

BUILDING CALIFORNIA — FIRST QUARTER 1993 CRA ACTIVITY

The Community Reinvestment Act of 1977 is designed to encourage financial institutions to identify and help meet the credit needs of the communities they are chartered to serve.

BoFA's CRA service area encompasses the state of California. The bank's officers call on local governments and community-based organizations to assess local credit needs.

Listed here are the results of BoFA's CRA-related lending programs through March 31, 1993.

■ SMALL BUSINESS AND FARM

Small Business Administration Direct (7A and 504 programs)	\$5,300,000
Small Business Administration Indirect (government lending — line of credit)	\$12,700,000
Small Business Investment Program	\$1,700,000
Business Banking Lending Program (\$50,000 or less)	\$46,800,000
State of California Guarantee Program	\$100,000
Farmers Home Administration (family-size farms)	\$600,000
Minority and Women-owned Businesses Outreach Program	\$1,300,000
TOTAL — SMALL BUSINESS AND FARM	\$68,500,000

■ HOUSING:

Low-Income Housing Development	\$15,100,000
FHA & VA Home Mortgages	\$1,100,000
City Improvement and Restoration Program (housing rehab)	\$100,000
B+A+S+I+C Home Improvement and Mobile Home Loans	\$1,100,000
California Community Reinvestment Corp. (39% participation)	\$2,600,000
Home Mortgages in Low-Income Census Tracts	\$114,300,000
Home Mortgages outside Low-Income Census Tracts to Individuals with	
Incomes Below 100% of Median or Less	\$152,200,000
Community Development Center — Downey	\$700,000
TOTAL — HOUSING	\$287,200,000

■ CONSUMER LOANS:

B+A+S+I+C Personal, Auto, and Home Equity Loans	\$1,400,000
Total	\$357,100,000

Commentary: A call for partnerships

Continued from front page

more on existing institutions to achieve the same ends. This is good news for taxpayers and communities.

The administration now appears to recognize that we already have a *de facto* network in place — progressive banks and thrifts that realize the value of community reinvestment and a growing number of socially conscious nonprofit organizations that are as savvy about balance sheets as they are about community credit needs.

With the right incentives provided by government, this existing network has the potential to stimulate community reinvestment with a minimum outlay of new capital or administrative costs.

An example: BankAmerica Corporation's community development subsidiary, Bank of America Community Development Bank, has extensive experience working with nonprofit organizations and the public sector to stimulate growth and investment in targeted areas.

One novel program is a benevolent deposit agreement initiated with Catholic Healthcare West, a San Francisco-based nonprofit health care provider.

Catholic Healthcare places deposits at below-market rates with BoFA Community Development Bank, which in turn makes small business and affordable housing loans — also at substantially below-market rates — in areas targeted by Catholic Healthcare.

This type of partnership, where risk and costs are shared to maximize available capital, is at the heart of community development banking.

Government can promote new lending and new partner-

ships among existing institutions — as opposed to investing scarce time and money in an entirely new system — with a few creative but powerful incentives.

NEW TAX CREDITS

► Consider the use of tax credits on income generated by community development lending, such as affordable housing construction or small business loans.

This can encourage new and innovative forms of community reinvestment by mainstream financial institutions.

REFOCUS THE SBA

► Streamline and refocus the Small Business Administration to increase the capital available to minority- and women-owned businesses.

Today, the SBA guarantees loans that probably would have been made under conventional lending practices, and enables some lenders to earn returns that are excessive relative to the risk involved.

Like the Community Reinvestment Act, the SBA program should require lenders to assess the credit needs of emerging minority- and women-owned businesses and actively target this market.

Chances are today that a typical SBA loan goes to a medical professional in an established suburban neighborhood rather than a minority-owned business in the inner city.

NEW EQUITY FUND

► Create a new equity fund for emerging small businesses by recapturing part of the profit made by SBA lenders that sell loans in the secondary market.

Today, some SBA lenders are earning returns far in excess of the risk they incur because they do not adequately compensate the federal government for the guarantees it provides. The government can obtain a share of that premium by recapturing a percentage of the profit made by lenders when they sell SBA loans in the secondary market. Profits from the sale of these loans can run as high as 15 percent to 20 percent of the guaranteed loan amount. If SBA lenders were required to pay half of their gain on sale into an equity fund for small businesses, the proceeds could be invested directly in nonprofit economic development corporations or used to fund tax credits for small business loans in targeted areas.

MORE ENTERPRISE ZONES

► Stimulate job growth by waiving federal income taxes on new business income generated within designated enterprise zones.

Government can help shape business decisions by providing opportunities for corporations to do not only what is right but also what's good for shareholders.

A key incentive: federal income tax exemption on revenue generated by new businesses in designated enterprise zones. These zones currently exempt new business from state taxes. A federal exemption would add a tremendous new stimulus to job creation in South Central Los Angeles, Atlanta, Detroit and other areas where job growth is critical.

PROMOTE HOUSING

► Make Low-Income Housing Tax Credits permanent.

This federal program offers



"We urge the President and Congress to give a full hearing to these ideas."

—Bank of America Executive Vice President Don Mullan

investors a credit against federal income taxes based on the cost of acquiring, rehabilitating or constructing affordable housing.

The original tax credit legislation expired in 1989 and Congress has granted annual extensions since then.

But until the program is made a permanent part of the tax code, it will continue to face the danger of extinction with each new extension.

There are many more constructive ideas being developed by banks, nonprofit groups and public agencies that move in these directions.

We urge the President and Congress to give a full hearing to these ideas, with the goal of promoting new partnerships among business, the public sector and community-based organizations that will empower them to build stronger, more prosperous communities.

Donald A. Mullan is Executive Vice President for Corporate Community Development at BankAmerica and Chairman of Bank of America Community Development Bank.

ROUNDTABLE:

The future of community

EDITOR'S NOTE: In March the Bank of America Community Development Bank Advisory Board held a roundtable discussion on a proposal by the Clinton Administration to form a "network" of 100 community development banks to help rebuild disadvantaged communities. Since then, the Clinton proposal has been modified to move away from the "100 banks" idea and instead funnel capital into existing institutions and nonprofit organizations. Following are highlights of the discussion involving BoFA Community Development Bank President Mike Mantle, Ed McNamara of Neighborhood Partnership Fund of Portland, Ore., Art Goodman of the C.D.C. Small Business Finance Group, Clarence Williams, president of California Capital Small Business Development Corp., Rick Devine of the Center for Community Change, and Russ Sakaguchi of ARC O Foundation.

MIKE MANTLE: We're still seeking definitions of what a community development bank really is. I've had many meetings with peer bankers, nonprofit organizations, and the American Bankers Association's Community Development Committee about this whole issue. We would like to see the idea redefined not as a bank per se, but as a community development financial intermediary. South Shore is obviously the model of that the Clinton Administration is looking to and we think it's a wonderful model. It's worked very well. It's a great success story, but it's a success story for the South Side of Chicago, and it may not be a good success story for the country at large. Just as there are many needs across this nation, there are many different solutions.

We think that people like Dan Leibsohn at the Low Income Housing Fund are acting as a community development financial intermediary. We think what Clarence Williams is doing with small business development is providing the services of a community development financial intermediary. We think some of the programs at the local initiatives support corporations as financial intermediaries for community development. We think that multibank community development corporations (CDCs) like the type we are supporting in Los Angeles, as community development financial intermediaries. We would hate to see those efforts thrown aside, all of that infrastructure ignored.

If there's money that the government wants to put into new community development, we don't believe the banking industry needs the money. We think there's plenty of capital in the industry today. Let's face it, it costs millions to start a new bank. If the government puts out a billion dollars and even a third of it is for start-up costs, that's a lot of money when you've already got an infrastructure out there. The money should get closer to the end result—community development investment. That can be through incentives for lenders—tax credits or tax exemptions for earnings in enterprise zones, for example—but more importantly, we think that our partners, the nonprofit organizations, can use the capital very effectively. Quite frankly, the Low Income Housing Fund can make \$10 million go a heck of a lot further than a bank can.

ART GOODMAN: One of the biggest problems we found with the multibank CDC we have in San Diego is the need for technical assistance. It takes a lot of work for small business owners to prepare a loan application package. That's an area where the state's education system, such as the community college system, really could do a lot to help small business owners get themselves in a position to go to the bank for a viable loan. The reason half of them are getting turned down is because what they're bringing to the bank is incomplete.

CLARENCE WILLIAMS: The new thing out there, and I don't know where this is going to go, is the need among microenterprises for technical assistance. You may target micro-businesses for loans, but they will need a significant amount of technical assistance to process those loans.

ED McNAMARA: I want to go back to your larger point about community development banks. You make some really valid points. The main one is that rather than just focus on creating 100 new banks, we should look at how we can help the existing infrastructure do more. But I don't think that excludes creating a new type of organization based on the Shore Bank model, such as BoFA Community Development Bank. The key to South Shore Bank is that it is trying to change the investment climate in a particular neighborhood. Through its affiliates, South Shore can be proactive in the attempt to develop, improve, and renovate and change the investment climate of the area. **TD NOTE:** The South Shore holding company operates a number of different subsidiaries, some of which engage directly in commercial real estate development. And you can't do that just through lending.

There's a lot of validity to what you say. Let's not ignore what people have already built up with their blood, sweat, and tears. But also let us not ignore the validity of the approach that Shore Bank is taking.



development banking

RICK DEVINE: I do have some reservations. If you have a bank on the shore model that is being capitalized by public funds, are they going to be able to take risks other than what any prudent lender that is subject to regulations is going to take? I don't think so. Admittedly, they have greater skills and sensitivity and probably a deeper commitment to seeing a neighborhood revitalized, but the essence of a charter I think imposes obligations on a financial institution to do just that. If they're not, then their charter should be revoked.

CLARENCE WILLIAMS: I don't think that you can statutorily enact and promulgate a duplication of Chicago's Shore Bank.

ART GOODMAN: It hasn't worked in other areas.

MIKE MANTLE: I have a lot of respect for Shore Bank. I went back and visited those guys before we created BoA Community Development Bank. But Shore Bank is essentially the size of its subsidiaries. I do not want to be Stan Keasling, director of the Rural California Housing Corporation, as much as I admire him as a role model. I would rather lend Stan the money as the director of a successful nonprofit housing corporation than create a competitor because in this market there is already a significant level of nonprofit housing development. In the

South Side of Chicago, they needed that. Then, as far as technical assistance or grants, I would rather we support the efforts of the Development Training Institute of the Local Initiatives Support Corporation. I would rather have an established nonprofit make a predevelopment loan than a controlled subsidiary of our organization.

We're better off giving grants to somebody to do this work for us than somebody like BoA trying to become the Development Training Institute of the Local Initiatives Support Corporation or the Rural California Housing Corporation. At the time it was founded, Shore Bank didn't have the luxury of existing institutions filling those needs, and Nebraska may not have that luxury now. So there are going to be places where we want to see the Shore Bank model come into play. It's not that Shore Bank isn't a good model; it's just that it's not the only model.

RUSS SAKAGUCHI: What we need to focus on is not a community development bank but much more a community devel-

opment system. And then you look at who within the system can best fill particular needs. And there is a particular need for the large commercial banks to fill. You've hit upon the right thing — focusing on the function rather than the specific entity.

ART GOODMAN: I almost fell out of my chair when I got a copy of Don's letter. ED Scott, Goodman, is referring to a letter from BoA's Don Mullane to Rep. Joe Kennedy, D-Mass., outlining BoA's position on the Clinton proposal. The last page, referring to incentives for more small business lending, is right on target. Ninety percent of the people who come into my office need working capital loans. In today's economy, they have orders, they have business, but they don't have equity and they don't have collateral — only 19 percent of the people in San Diego can afford to own a house to begin with. But they've typically been in business for five years and they're profitable. The

average SBA loan in California is \$330,000 — not \$75,000 or \$80,000 — and a lot of lenders just won't do an SBA loan unless they can sell it for a profit in the secondary market. That needs to change.

ED McNAMARA: It's the right thing to do to look at the community development function, but you still have to look at the whole underpinnings of the community development movement: are local control and local capacity. We need to have some community institutions that really know their market and we can't keep separating housing and business. We have to get at both needs.



► We're still seeking definitions of what a community development bank is.

► What we need to focus on is not a community development bank, but much more a community development system.

► The whole underpinnings of the community development movement are local control and local capacity.

NEW ENVIRONMENTAL EXHIBIT

"Rethinking the Future"

Bank of America, in partnership with Conservation International, announced to develop a unique exhibit on environmental issues focusing on the economic benefits of conservation and the need to strike a productive balance between conservation and economic growth.

Called *Life on Earth: Rethinking the Future*, the exhibit premiered at San Francisco Main Branch and will be on public display at a variety of Bank of America branches over the next five years.

The exhibit displays the variety of plants and animals in rain forests and highlights frequently used products such as foods, fibers and medicines that come from these areas. It also demonstrates how conservation and economic productivity can go hand in hand.

With this exhibit, we hope to raise public awareness about the environment's positive impact on the economy," says Vice Chairman Mary Stein, the company's senior environmental officer.

The exhibit also displays a quotation from Bank America Chairman and CEO Richard Rosenberg describing the bank's philosophy of environmentalism.

"We believe that the quality of our lives rests firmly on our ability to strike a balance between economic activity and environmental stewardship," says Rosenberg. "Understanding this dynamic relationship is a fundamental part of rethinking our future as a global society."

True to its environmental message, the exhibit is made almost entirely out of recycled materials. Surface panels are made from recycled plastic bottles; photographs are mounted on recycled plastic stretch wrap; and recycled paper is used throughout the exhibit. Recyclable soft drink cans were used to build a totem to recycling.



Bank of America's new environmental exhibit premiered at San Francisco Main Branch above in March. One of the components, right, is a stack of aluminum cans to emphasize recycling. Above right, designer Bruce Velasky assembling exhibit.



"With this exhibit, we hope to raise public awareness about the environment's positive impact on the economy."

Vice Chairman
Marty Stein



ENVIRONMENTAL PROGRESS REPORT

New report highlights environmental gains

From recycling to energy conservation, Bank America stepped up its commitment to environmental responsibility in 1992.

The company recycled 11,500 tons of paper, up 17 percent from 1991. It initiated measures that will save 20 million kilowatt hours of electricity and 8 million gallons of water annually.

The figures are included in the annual *BankAmerica Environmental Progress Report* released in April. The report summarizes the company's environmental program launched in 1991 to encourage environmentally sound operating policies.

Highlights of the environmental program in 1992:

- BankAmerica and Pacific Gas & Electric led the establishment of the Recycled Paper Coalition. Member companies

pledge to increase recycling and purchase paper made from recycled material. Membership now totals more than 40 companies, mostly from Northern California.

- 70 percent of the bank's paper purchases in California were recycled stock.

- The bank cut paper consumption 365 tons thanks to a project to consolidate forms.

- Corporate Real Estate instituted conservation measures that will save \$1.5 million annually in utility bills.

- The bank launched a special check series depicting threatened tropical habitat and animal species. A 50-cent donation for each check order is made to Conservation International.

- BankAmerica Foundation disbursed \$144,500 in grants to environmental organizations.

For a copy of the BankAmerica Environmental Progress Report please send this request form to:

BankAmerica
Corporate Public Relations 3124
PO Box 3000
San Francisco, CA 94137

NAME _____

ADDRESS _____

CITY _____

STATE _____

ZIP _____

Please allow 8-9 weeks for delivery.



Foundation grant supports wine industry

A new research project at California State University, Fresno to combat phylloxera, the soil-borne pest that is threatening California's wine and grape industry, has received a \$35,000 grant from BankAmerica Foundation.

The grant will help fund the annual salary of the research scientist chair at the Viticulture and Enology Research Center at Cal State Fresno, and will be evaluated annually by the bank for renewal for up to three years.

"We are very pleased to make this grant to fund such an important chair and be a part of this state-of-the-art facility," said Executive Vice President Terry Scranton. "Research is more important to the wine and grape industry today than perhaps at any other time in history."

Cal State Fresno's Viticulture and Enology Research Center was completed in the summer of 1992, funded in large part by contributions from the private sector.

The Center includes a 143-acre vineyard that serves as a teaching and applied research laboratory. One year's research and lab work are applied to next



In the Viticulture and Enology Research Center at Cal State Fresno, left to right, are BofA Executive Vice President Terry Scranton, Senior Vice President Warren Postrollo, Cal State Fresno Professor and Research Center Director Vincent E. Petrucci, BofA Vice President Cory Gallagher, Research Center Associate Director Dr. Carlos Muller, and BofA Regional Vice President Alan Chilton.

year's crop and production.

The primary research focus in Fresno is on rootstock study. Extensive research is currently being conducted on phylloxera, the soil-borne louse that has potential devastating economic

ramifications for the wine industry. It is this work that the BankAmerica grant will help finance.

"BankAmerica's contribution demonstrates its ongoing commitment to our industry and its

future," said Professor Vincent E. Petrucci, director of the Research Center. "This financial support will greatly facilitate our current research efforts, especially the work we are doing on phylloxera."

Franklin examines BofA's social programs

Franklin Research, a Boston-based investment corporation that analyzes the social responsibility records of businesses for its investment clients, says that BankAmerica's "social profile is the strongest of publicly owned banks we follow."

Franklin's analysis of BankAmerica appears in the April edition of its newsletter *Insight: Equity Brief*.

In analyzing BankAmerica's social responsibility, Franklin noted that the corporation's

California affiliate, Bank of America, "received an 'outstanding' Community Reinvestment Act (CRA) rating in 1990."

"In 1991, the bank provided about two-thirds of all mortgages made by California banks to both African Americans and Latinos."

"In addition, BankAmerica has an internal Fair Lending Task Force and an external Social Policy Advisory Committee to advise the bank in issues of community reinvestment and other corporate responsibility

programs."

"Other notable citizenship efforts include the establishment in 1990 of Bank of America Community Development Bank to focus on low-income housing financing, government-assisted small business lending and economic development in partnership with public agencies and nonprofits."

Franklin also examined BankAmerica's employee programs and concluded that the corporation "has a clear record of valuing diversity in its work-

place. Women and minorities comprise 58 percent and 28 percent, respectively, of professional positions. Benefits are generous and extend to all salaried employees."

The report also noted that BankAmerica "became the first, and only, major bank to reach an agreement with church shareholders concerning its loan policies to the governments of developing countries. BankAmerica considers the human rights impact of its lending in lesser developed countries."

UC Berkeley team wins housing challenge

A team of graduate students from UC Berkeley took first place honors in the second annual Low-Income Housing Challenge sponsored by Bank of America Community Development Bank.

The UC Berkeley team's project, Dominguito Velasco Villas, is a 22-unit affordable housing development located in the Fruitvale section of Oakland. The students competed against teams from Stanford University and UC Davis.

The students were asked to design a multifamily housing project for low-income residents that was appealing, financially feasible and acceptable to the community.

All the students did an excellent job, said BoA Community Development Bank Vice President Cynthia Christian, this year's challenge coordinator. "These projects are creative,

practical and fill one of the Bay Area's most critical needs -- high-quality, affordable housing."

The Dominguito Velasco Villas design features two, three and four bedroom units with rents ranging from \$350 to \$774 monthly, depending on the size of the unit and the tenants' household income.

The team, which proposes to build the project jointly with the Spanish-speaking Unity Council, held several community meetings and included 17 at-risk residents in the design of the project.

Among the unique features are wood porches, iron fences, off-street parking and distinctive gabled roofs.

The students arranged financing of the \$3 million project by combining a traditional bank loan with a Federal Home Loan Bank low-income subsidy, Federal Low-Income Housing Tax Credit proceeds and Oakland Redevelopment Agency funds.

The proposals were judged by a seven-member panel that included representatives from nonprofit housing organizations, public agencies and Bank of America Community Development Bank.

The challenge is intended to give graduate students who are interested in developing affordable housing projects a chance to work with housing professionals and community repre-

sentatives in solving real-life problems. At the same time, the students are able to display their talents and ingenuity to potential employers.

The competition was held on April 22, 1993 at the Federal Reserve Bank in San Francisco. About 60 people attended.

The winning team said it plans to donate its \$3,000 prize to Berkeley artist Carolyn Marks, who is raising money for the "Wall for Peace" to be erected in the Fruitvale BART station.

Bank of America Community Development Bank was created in April 1990 to offer community development lending programs in California.

In 1992 it provided \$101 million in construction financing for low-income multifamily housing developments and approximately \$30 million in government-assisted small business loans.

"These projects are creative, practical and fill one of the Bay Area's most critical needs — high-quality, affordable housing."

— Bank of America
Vice President
Cynthia Christian



UC Berkeley's winning design team (from left: Julia Hodgson, Jeffrey Mochs, David Arkin, Elizabeth Tracey and Joe Englewey) proudly hold the Bank of America Low-Income Housing Challenge trophy they recently won for their design of a 22-unit affordable housing development in Oakland.

BANKAMERICA FOUNDATION FIRST-QUARTER 1993 GRANTS

Established in 1969, the foundation is the philanthropic arm of BankAmerica Corporation. It funds private, non-profit tax-exempt organizations that provide services to communities throughout the world.

Listed here are grant payments made during the first quarter of 1993.



Health & Human Services

- **CARETHERAPY**
Support for 1993 — \$3,000
- **CONFIDENTIALITY**
Support for 1993 — \$2,300
- **DAILY CITY EMERGENCY FOOD PANTRY**
General support — \$2,500
- **DORIAN RESOURCE CENTER FOR THE BLIND**
Grant for expansion of the center's programs — \$2,000
- **EPISCOPAL SANCTUARY**
General support — \$10,000
- **GOODWILL INDUSTRIES OF SOUTHERN LOS ANGELES COUNTY**
Support of the Job Training Contract Department Project — \$3,000
- **HEART OF THE VALLEY SERVICES FOR SENIORS**
Support for 1993 — \$1,000
- **INNOVATIVE HOUSING**
Support for Parent-Child Program directed at homeless, at-risk and low-income single parent families — \$3,000
- **MAMA'S KITCHEN**
Support to expand their home meal delivery service to AIDS patients in San Diego County — \$3,000
- **SALVATION ARMY - VENTURA**
Support of Phase III of the development project for renovation and new construction of several county facilities — \$15,000

- **SERRA SERVICES FOR THE BLIND**
Equipment for Serra Services — \$3,800
- **TECHNOSERVE, INC.**
Support for 1993 — \$2,500
- **VALLEY MEDICAL CENTER FOUNDATION**
Support for 2020 and Reach and Teach Programs — \$15,000
- **ANTI-LOPE VALLEY HOSPITAL FOUNDATION OF SAN DIEGO COUNTY**
Capital grant for equipment for their neonatal ICU — \$10,000
- **MEMORIAL HOSPITAL FOUNDATION OF SAN DIEGO COUNTY**
Capital support for 1993 — \$3,000
- **PHOENIX MEMORIAL HOSPITAL FOUNDATION**
\$25,000 grant approved, payable in March 1993, for the Emergency Medical services Campaign at Phoenix Memorial Hospital — \$25,000
- **SANTA BARBARA MEDICAL CENTER OF SANTA BARBARA**
Support of congenital care facility project — \$7,300
- **SAN MATEO COUNTY GENERAL HOSPITAL FOUNDATION**
Grant for the purchase of a mammography unit — \$2,500
- **SELMA DISTRICT HOSPITAL FOUNDATION**
\$25,000 grant, payable over two years, for Selma's capital campaign — \$15,000
- **SERRA KINGS DISTRICT HOSPITAL**
— \$3,500
- **SELEKON HOSPITAL**
Capital support for 1993 — \$10,000
- **BANANAS A PLACE TO FIND PEACEMAKERS, INC.**
Support for second year of their programs — \$3,000
- **BOYS & GIRLS CLUB OF OAKLAND**
Grant for purchase of equipment — \$2,500
- **CHINESE NEWCOMERS SERVICE CENTER**
Support for 1993 — \$10,000
- **CODA - COMPREHENSIVE OPTIONS FOR DRUG ABUSERS, INC.**
Support for treatment for children of drug abusing parents in CODA's Children's Program — \$2,500
- **DOLBY CENTER**
Support for 1993 — \$2,500

- **GIRLS, INC. - SANTA BARBARA REGION SERVICE CENTER**
Support for growth initiative — \$5,000
- **INGLESIDE COMMUNITY CENTER, INC.**
Support for 1993 youth programs — \$2,500
- **LOS ANGELES WOMEN'S FOUNDATION**
Services for low-income women and girls in Los Angeles County — \$10,000
- **PARTNERS REACHING OUT TO THE FUTURE**
Support for conference activities for 1993 — \$2,800
- **PARTNERSHIP FOR A DRUG-FREE AMERICA**
Support for 1993 — \$25,000
- **REDLANDS FAMILY YMCA**
Support of their Capital Development Program — \$5,000
- **SAN FRANCISCO FOOD BANK**
Support for 1993 — \$10,000
- **VERMONT HILLS FAMILY**
Developmentally appropriate materials for a new center served by VHEC — \$2,300
- **WINNERS ON WHEELS**
Support for 1993 — \$10,000
- **YOUTH JOB AWARENESS PROJECT**
General operating support grant — \$5,000
- **CHILD ABUSE PREVENTION FOUNDATION**
Capital campaign for facilities construction — \$25,000
- **JOHN TRACY CLINIC**
Capital grant for renovation of the clinic — \$20,000
- **LARKIN STREET YOUTH CENTER**
Capital support for 1993 — \$10,000
- **LINCOLN CHILD CENTER**
Support to expand facilities to serve 10 emotionally disturbed children — \$5,000
- **LOS ANGELES FREE CLINIC**
Support for the relocation of their Adolescent Programs to the new Hollywood Center — \$7,500
- **SAN FRANCISCO WOMEN'S CENTERS, INC.**
Support for the purchase of the Women's Building — \$15,000
- **SECOND HARVEST FOOD BANK OF SANTA CLARA**
Capital support — \$25,000

- **SENIOR COMMUNITY CENTERS OF SAN DIEGO**
Grant for purchase of meal preparation equipment — \$2,500
- **TRAVELERS MISOCITY OF SAN FRANCISCO**
Capital grant for Lira House supportive housing program for homeless families — \$10,000
- **YMCA OF METROPOLITAN LOS ANGELES**
\$150,000 grant, payable over 5 years, for the "Focus on the Future" capital campaign — \$10,000



Education

- **MIRQUEQUITE FOUNDATION**
First installment of a \$15,000 grant, payable over three years, for the establishment of a scholarship fund to promote vocational training for minority students — \$5,000
- **AMERICAN ASSEMBLY OF COLLEGIATE SCHOLARS OF BUSINESS**
Support for 1993 enables two minority students to attend AACBS Minority Summer Institute — \$11,000
- **CALIFORNIA COMMUNITY COLLEGE FOUNDATION**
The Early Start Project — \$22,500
- **FAMILY SCHOOL**
Program support for drop-out prevention and job training apprenticeships for 1993 — \$2,500
- **HISPANIC EDUCATION AND MEDIA GROUP**
Support for the California Hispanic High School Drop Out Prevention and Recovery Project — \$25,000
- **LOS ANGELES URBAN LEAGUE TRAINING CENTER**
Annual support for 1993 — \$25,000
- **MATHEMATICS, ENGINEERING, SCIENCE ACHIEVEMENT (MESA)**
support for urban public education for 1993 — \$10,000
- **RED CLOUD AMERICAN INDIAN SOCIETY**
Educational and humanitarian support services — \$15,000

BANKAMERICA FOUNDATION FIRST-QUARTER 1993 GRANTS

- **SAN FRANCISCO UNIVERSITY HIGH SCHOOL**
Support for minority summer program — \$3,000
- **SAN JON CONSERVATION CORPS**
Support for their Education Program — \$2,500
- **YOUTH OPPORTUNITIES FOUNDATION**
Rebuild LA project — \$10,000
- **CALIFORNIA ACADEMIC THEATRE**
Support for the 1993 competition — \$10,000
- **CALIFORNIA POLY TECHNICAL UNIVERSITY SAN LUIS OBISPO**
Support for the Project Excite Program — \$1,000
- **CALIFORNIA STATE UNIVERSITY FOUNDATION LONG BEACH**
School of Business — \$15,000
- **CAREER PLANNING CENTER**
Support for the Employment Resource Center — \$2,500
- **CONSTITUTIONAL RIGHTS FOUNDATION**
Rental of support for 1993 — \$5,000
- **REINJOINDERMENT COLUMBIA EMPIRE INC.**
Support for 1993 — \$5,000
- **NATIONAL ALLIANCE OF BUSINESS**
Support for 1993 — \$10,000
- **TEACH FOR AMERICA**
Support for 1993 — \$10,000
- **ALFMAN SCHOLARSHIP FUND**
Support for scholarship

- programs for 1993 — \$15,000
- **BOARD OF REGENTS - UNIVERSITY OF NEVADA RENO**
Valley Bank-BankAmerica scholarship for 1992-1993 — \$872
- **CALIFORNIA ASSOCIATION OF STUDENT COUNCILS**
General support for 1993 — \$2,000
- **CITIZENS SCHOLARSHIP FOUNDATION OF AMERICA**
Administration of the 1993 BankAmerica scholarship Program — \$8,540
- **CITIZENS SCHOLARSHIP FOUNDATION OF AMERICA**
\$30,000 grant, payable over two years, to support the "California Project" — \$15,000
- **DRISCOLL CITY COLLEGE**
Support for Minority Student Scholarship Program — \$10,000
- **CYPRESS COLLEGE FOUNDATION**
Support for the Career Planning Center and Re-entry Program — \$2,500
- **UNIVERSITY OF SAN FRANCISCO - INSTITUTE FOR NONPROFIT ORGANIZATIONAL MANAGEMENT**
Support for 1993 — \$5,000
- **THE ASIA FOUNDATION**
\$100,000 grant, payable over two years, 1993-1995, for capital grant, equipment purchase — \$50,000
- **ASSOCIATED STUDENTS**

- CSU CHICO - COMM ACTION VOLUNTEERS INC.**
Purchase of a new Macintosh computer — \$1,775
- **BROOKINGS INSTITUTION**
Support for 1993 — \$15,000
- **CALIFORNIA SCHOOL BOARDS FOUNDATION**
Support for management training for school board members for 1993 — \$15,000
- **CENTER FOR U.S. MEXICAN STUDIES - UC SAN DIEGO**
Program support for 1993 — \$10,000
- **COUNCIL FOR ADVANCED STUDIES AND SUPPORT OF EDUCATION, CASE**
Support for 1993 — \$1,000
- **COUNCIL FOR AID TO EDUCATION**
Support for 1993 — \$3,500
- **BEENA VASTA ALTERNATIVE SCHOOL PIA**
Support for School Photographs Project for 1993 — \$2,500
- **CALIFORNIA EDUCATIONAL INITIATIVES FUND**
Support for CIE for the 1992-1993 program — \$150,000
- **COLLEGE OF THE CANYONS FOUNDATION**
Support of the Economic Development Project focusing on Cooperative Work Experience Education — \$10,000
- **HUMBOLDT STATE UNIVERSITY**
Capital campaign for Business Department — \$15,000



Community Development

- **COMMUNITY SERVICE PROGRAMS**
Support for gang prevention play — \$600
- **CORCORAN COMMUNITY FOUNDATION**
Support for the Corcoran Community Park — \$10,000
- **INTERNATIONAL EXECUTIVE SERVICE CORPS**
Support for 1993 — \$5,000
- **SKID ROW DEVELOPMENT CORPORATION, LOS ANGELES**
Support for the Tenth Anniversary of Skid Row's Transition House — \$10,000
- **AVONDALE NEIGHBORHOOD HOUSING SERVICES**
Support for 1993 — \$10,000
- **COMMUNITY AND MILITARY ASSISTANCE CORP (CASA)**
To enhance marketing, technical assistance and productivity capabilities in underserved areas of the state — \$3,000
- **COUNCIL FOR COMMUNITY BASED DEVELOPMENT**
Membership support for 1993 — \$2,000
- **ESPERANZA COMMUNITY HOUSING CORPORATION**
Support for capital campaign for construction of a multi-use office and child care facility — \$5,000
- **EUGENESPRINGFIELD METROPOLITAN PARTNERSHIP, INC.**
Support for 1993 — \$2,500
- **FRANCISAN ENTERPRISE OF OREGON**
Support for 1993 — \$2,500
- **HABITAT FOR HUMANITY - GRAYSON COUNTY**
Support for 1993 — \$2,500
- **LOCAL INITIATIVES SUPPORT CORPORATION**
Board approved grant over 3 years — \$50,000
- **NATIONAL CENTER FOR AMERICAN INDIAN ENTERPRISE DEVELOPMENT**
Support for 1993 — \$25,000

Continued next page

BoFA's MINORITY PURCHASING ADVOCATE



Tabak honored for minority purchasing efforts at BoFA

Vice President Joyce Tabak, who manages the bank's purchasing programs for minority- and women-owned business enterprises in Southern California, has been honored as "Advocate of the Year" by the Los Angeles chapter of the National Association of Women Business Owners (NAWBO). Tabak helped NAWBO develop a scholarship and mentoring program for young minority women seeking to become entrepreneurs. At Bank of America she seeks out minority- and women-owned businesses to provide goods and services to the company.

BANKAMERICA FOUNDATION FIRST-QUARTER 1993 GRANTS

Continued from previous page

■ **NATIONAL CONGRESS OF COMMUNITY ECONOMIC DEVELOPMENT**

Core operating support for 1993 — \$10,000

■ **NEW MEXICO COMMUNITY DEVELOPMENT LOAN FUND**

Grant to coordinate an educational program on development financing for rural economic development professionals — \$12,000

■ **SANTA FE NEIGHBORHOOD HOUSING SERVICES**

Support for 1993 — \$5,000

■ **WOMEN'S INITIATIVE FOR STEEL EMPLOYMENT**

Operating support for 1993 — \$23,000



Culture & the Arts

■ **CALIFORNIA ACADEMY OF SCIENCE**

Support for the exhibition, "Hands on Science" — \$25,000

■ **FRESNO METROPOLITAN MUSEUM**

Support for their 1993-1994 season — \$5,000

■ **LAGUNA ART MUSEUM**

Grant to support their 75th Anniversary campaign — \$25,000

■ **LINDSAY MUSEUM**

Grant to assist with the Lindsay Museum's permanent exhibit "Living with Nature" — \$10,000

■ **LONG BEACH MUSEUM OF ART**

Support for 1993 — \$2,500

■ **NAPA COUNTY MUSEUM ASSOCIATION**

Support for 1993 — \$2,500

■ **NEW MEXICO MUSEUM OF NATURAL HISTORY FOUNDATION**

"Somos Vecinos" outreach Night for the South Valley community — \$1,000

■ **NEWPORT BEACH PUBLIC LIBRARY FOUNDATION**

Support of their capital campaign for construction of a new main branch — \$10,000

■ **SAN DIEGO COSPACE MUSEUM**

General operating support — \$10,000

■ **SAN DIEGO MUSEUM OF CONTEMPORARY ART**

\$50,000 grant payable over two years (93-94) for the restoration and expansion of historic museum and outfitting of new downtown satellite gallery — \$25,000

■ **SAN FRANCISCO ZOOLOGICAL SOCIETY**

Support for wildlife conservation and education programs for 1993 — \$5,000

■ **SAN FRANCISCO CAMPAIGN**

Grant for capital campaign — \$10,000

■ **SAN JOSE MUSEUM OF ART ASSOCIATION**

General operating support — \$5,000

■ **VA AVIATION MUSEUM**

Support for an exhibit depicting the local Spanish-speaking history and culture — \$5,000

■ **CULTURAL COUNCIL OF SANTA CRUZ**

Support for 1993 — \$5,000

■ **LOS ANGELES MUSIC CENTER UNIFIED FUND**

1993 program support — \$125,000

■ **CAPT STREET PROJECT**

Audience development efforts — \$2,500

■ **CREATIVITY EXPLORED**

Renewal of support for visual arts programs for mentally and physically challenged adults — \$2,500

■ **UNIVERSITY OF CALIFORNIA DAVIS**

Support for UC Davis Presents — \$2,500

■ **ACCESS THEATRE, INC.**

Support of the project "In-Sight" — \$7,000

■ **REHABILITATION DANCE FOUNDATION**

Support for 1992/93 season — \$2,500

■ **CALIFORNIA PLAYWRIGHTS PROJECT**

Intergenerational Program and In-School Playwriting Project — \$2,500

■ **CHILDHOOD PRODUCTIONS LTD OF CALIFORNIA**

Free Ticket Outreach Program for 1993 — \$2,500

■ **EXPERIMENTAL GROUP YOUNG PEOPLES THEATRE**

Support for installation of a heating system for classroom areas of the Theatre — \$500

■ **IMAGUO THEATRE MASK ENSEMBLE**

Support for the creation and production of a major new work for the ensemble — \$2,500

■ **MOONLIGHT AMPHITHEATRE - VISTA FOUNDATION**

Support for summer 1993 season — \$2,500

■ **OBERLIN DANCE COLLECTIVE**

General support for 1993 — \$2,500

■ **RIDWODEMPTRE BALLETT COMPANY**

Support for 1993 — \$2,500

■ **SAN DIEGO PERITORY THEATRE**

Support for Project Discovery — \$2,500

■ **SAN FRANCISCO PERFORMANCES**

Main stage performances and expanded arts education programs in the San Francisco public schools — \$5,000

■ **SAN JOSE CLEVELAND BALLETT**

Support for 1993 — \$2,500

■ **SHAKESPEARE SAN FRANCISCO**

Support for 1993 — \$5,000

■ **TALL SPINNERS THEATRE**

Support for "A Voice for a New Theater" — \$2,000

■ **FRIENDS OF OLYMPIA STATION, INC.**

Support for 1993 — \$2,000

■ **THEATRE RHINOCEROS**

Support for 1993 — \$1,500

■ **YOUNG PERFORMERS THEATRE**

Programs for children in need — \$2,000

■ **AMERICAN SYMPHONY ORCHESTRA**

Support for the Orchestra Management Fellowship Program for 1993 — \$7,000

■ **CALIFORNIA SYMPHONY**

Support for 1992/93 season — \$15,000

■ **CITY OPERA MUSIC IN THE MOUNTAINS**

Programs for the young people of Nevada counties — \$1,000

■ **NEW MEXICO SYMPHONY ORCHESTRA**

Support for 1993 — \$20,000

■ **OAKLAND BALLET**

Support for 1993 — \$7,500

■ **ORIGONS FESTIVAL OF AMERICAN MUSIC**

General operating support for 1993 — \$1,500

■ **PORTLAND YOUTH PHILHARMONIC**

For a brochure to use as a supplement when the orchestra plays for its peers — \$1,100

■ **SANTA BARBARA SYMPHONY**

Operating support for 1992-93 season — \$2,500

■ **VENTURA COUNTY SYMPHONY ASSOCIATION**

Support for concert season — \$2,500

■ **WOMEN'S PHILHARMONIC**

General operating support for 1993 — \$2,500

■ **CHILDREN'S MEDIA LAB**

Support for 1993 — \$5,000

■ **KUBX, INC.**

Programming for students in grades 1-12 to be aired over local radio — \$1,750

■ **KPBS - SAN DIEGO STATE UNIVERSITY**

Support for 1993 — \$3,500

■ **OREGON PUBLIC BROADCASTING FOUNDATION, INC.**

Renewal sponsorship of the Oregon Field Guide for 1993 — \$15,000

■ **NATIONAL CHARITIES INFORMATION BUREAU, INC.**

Support for the Wise Giving Guide for 1993 — \$2,000



Environment

■ **CALIFORNIANS AGAINST WASTE FOUNDATION**

Support for "Bus Recycled" campaign — \$5,000

■ **GOLDEN GATE NATIONAL PARK ASSOCIATION**

For the Presidio planning process — \$25,000

■ **NATIONAL PARK FOUNDATION**

Support for 1993 — \$5,000

■ **SAN FRANCISCO BEAUTIFUL**

Support for 1993 — \$2,500

Focus on customers with disabilities

There's a blind depositor at Bank of America who bounced checks because he couldn't read an overdrawn account notice. Now his branch phones when funds dry up.

A BoA officer has had trouble working because his visual impairment made computer images hard to see. Things are better since the bank purchased magnifying equipment for his screen.

In the past 18 months BoA has made hundreds of accommodations for customers and employees with disabilities. Look for the trend to continue.

The bank is living up to a long-standing policy forbidding discrimination against people with physical or mental impairments. It's also trying to comply with the 1990 Americans with Disabilities Act (ADA).

The legislation, which took effect in January 1992, requires businesses to make facilities accessible to people with disabilities. It also outlaws discrim-



Terry Hanagan: "Our effort has been very good."

inatory employment practices.

In the wake of ADA, BoA is making everything from ATM machines to checking accounts more accessible.

The law requires a good faith effort and visible progress towards compliance, says VFP Terry Hanagan, head of ADA Programs at BoA. "Our effort has been very good."

By the end of 1993, every VISA/MASTER ATM machine location will have at least one

wheelchair-accessible ATM. The machines already have Braille markings.

We started installing wheelchair-accessible machines in 1987, so we were in pretty good shape when the ADA was passed, says VFP Clements, business manager of systems operations in VISA/MASTER Business.

BoA managers are undergoing training to ensure applicants and employees with disabilities receive fair, equal treatment from the bank.

A 20-member task force crafted the bank's response to ADA during six months of meetings in 1991. Since then, BoA has:

- Adopted principles aimed at making facilities, services and employment accessible.
- Established a toll-free telephone line, 1-800-ENABLER, for information on products and services for people with disabilities.
- Met with community

groups representing people with disabilities to hear their concerns.

I spend a significant amount of my time on community outreach, says Hanagan. "We weren't experts when we started this process, so the insights from these groups have been most helpful." Hanagan has been appointed to the President's Committee on Employment of People with Disabilities.

BoA is researching how to make banking services more accessible to customers with disabilities. It already offers large print checks and check registers with raised lines for the visually impaired. New accounts officers even offer to read aloud booklets describing the terms of BoA deposit accounts.

TDD equipment — telephone device for the deaf — has been installed so that deaf customers can converse with bank representatives by phone. The devices allow both parties to type out messages which appear on computer screens.

Two S.F. schools scale ladder of excellence

In May 21 at the World Productivity Congress in Stockholm, the world learned something former President Bush already knew: that Crocker Middle School in Hillsborough, Calif., is one of the best schools in existence.

Last March more than 2 million members of the National Education Association (NEA) discovered something else: Horace Mann School in San Francisco is a nationwide model in education.

Bank of America has helped both schools.

Crocker was recognized by the Swedish Academy of Sciences as one of the top five schools in the world.

Horace Mann received Excellence in Action honors from the NEA.

BoA's Burlingame branch adopted Crocker School four years ago as part of the nation-wide Adopt-A-School program. Students visit the bank to learn about banking, display artwork and sometimes give short musical concerts for bank customers.

The program is beneficial to both the bank and students, says VFP Frank Hunt, manager of the Burlingame branch and a 31-year Bank American. "It shows students what is going on in business and we learn about the educational process."

In November 1991, the principal of Horace Mann approached

VFP Daniel McLaughlin, manager of BoA Education Programs, to help write a restructuring plan needed to apply for a state grant. With McLaughlin's help, the school won the five-year grant.

The restructuring plan focuses on teacher accountability, parental involvement, performance-based graduation criteria and employment skills.

The most important thing was to help the school commit to having outcome-based performance and becoming accountable for the results," says McLaughlin, who completed the plan in 1992. He now advises the school on implementing the plan.

Besides restructuring Edu-

cation Programs has four other programs: Project STEP (Skills Training Education Program) teaches student bank intern job skills.

Through the Choices Program, employees advise ninth grade students on developing self-discipline and understanding the connection between academic success and job success. In the partnership program, a branch teams up with a school to help with tutoring, mentoring, restructuring and career days.

In the Regional Occupational Program, high school students receive six weeks of skills training before they are placed in non-paid, part-time bank training position for 10 weeks.

Photos detail African-American heritage

The cultural and historical legacy of African Americans in California is explored in a new photo exhibit now on display in South Central Los Angeles and San Francisco, underwritten in part by Bank of America.

The exhibit, "Our Roots Run Deep: The Black Experience in California 1800-1900," features more than 30 photos about African American achievers in California, with commentaries on the significance of blacks in the West by historians William Loren Katz, Jack D. Forbes and Daniel Gossile.

The exhibit is on display initially at The Playground in South Central Los Angeles where it was viewed by President Bill Clinton in mid-May, and the Western Addition Cultural Center in San Francisco.

We're delighted to be able to support this important project," said Vice President Betsy Nachbaur of Corporate Community Development. "It significantly adds to our understanding of California's rich and dynamic history."

"Our Roots Run Deep" is based on the anthology of the same name by writer John Templeton and includes photos and commentary about the following individuals:

- Pio Pico (namesake for Pico Boulevard in Los Angeles), one of three black men to serve as governor of Alta California and builder of the Pico House Hotel, the first three-story building in Los Angeles.

- Andres Pico, brother of Pio Pico and the last Mexican governor of Alta California. Together the Picos owned more than 532,000 acres in Southern California, including the San Fernando Valley, Whittier and Camp Pendleton. As a Mexican general he defeated the U.S. Army in the Battle of San



Photomontage, Los Angeles County Museum. "Natural History, depicted first on a globe" in services of Los Angeles.

Pascual in 1849.

- Francisco Reyes, the second mayor of Los Angeles in 1782 and the original rancher in the San Fernando Valley.

- Maria Rita Valdez, owner of Rancho Rodeo de Aguas, now known as Beverly Hills.



James Beckwith, one of the first Americans to find a passage through the Sierra Nevada.

- Manuel Nieto, owner of a large tract stretching from current Santa Anita Freeway to the coast, including what is now Anaheim and Disneyland.

- William Alexander Elders, doctor, perhaps the wealthiest pre-Gold Rush Californian and owner of the first store, hotel and warehouse in San Francisco. He served as first city treasurer and was the first black American diplomat as U.S. subconsul to Alta California. His estate, including 40 lots in downtown San Francisco, was valued at \$1.5 million at his death in 1847.

- Queen Calafia, described in a 1510 Spanish epic as black as the ace of clubs and the most beautiful of women ruling the island of California, which was populated by black women. Based on this account, which placed the island near the "Seven Cities of Cibola," Cortes launched an expedition to what is now called Baja California with 300 African con-

quistadors.

The exhibit is being staged by a coalition of businesses including Bank of America, educators and nonprofit organizations.

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Bank America Corporation

EXHIBIT V

PACIFIC COAST BANKING SCHOOL

SHOULD SBA 7a LOAN PROGRAM RESOURCES
BE ALLOCATED VIA NEW GUIDELINES TO
SUPPORT BOTH LENDER PROFIT AND
TARGETED COMMUNITY DEVELOPMENT OBJECTIVES

BY
SUSANNE HANSEN
CHIEF FINANCIAL OFFICER
BANK OF AMERICA COMMUNITY DEVELOPMENT BANK

SHOULD SBA 7(a) LOAN PROGRAM RESOURCES BE ALLOCATED VIA NEW
GUIDELINES TO SUPPORT BOTH LENDER PROFIT AND TARGETED
COMMUNITY DEVELOPMENT OBJECTIVES?

by

Susanne Hansen

Bank of America Community Development Bank
Walnut Creek, California

Submitted in partial fulfillment of the requirements of the
Pacific Coast Banking School conducted at the University of
Washington

Seattle, Washington, April, 1993

ABSTRACT

This paper focused on bank efforts to achieve Community Reinvestment Act compliance in the area of small business lending utilizing Small Business Administration (SBA) resources. The SBA 7(a) loan program was reviewed to determine if it is structured to help banks meet community needs identified in bank needs assessment surveys.

Bank needs assessment surveys were reviewed to identify key community needs, and SBA lending results were evaluated to determine how well the SBA helped banks penetrate the identified borrower needs. The objective of the study was to determine what new guidelines should be considered by the SBA to support both lender profit and targeted community development objectives.

Key sources of information were personal interviews with SBA lenders and a variety of statistics and studies on SBA lending results. The conclusions/proposals which resulted were: 1) Real estate loan originations per lender should be limited by the SBA to permit more lending for working capital and other types of financing; 2) Part of the gain on loan sales should be returned to the government to create a new equity fund for small businesses needs; 3) Minority- and women-owned business support provided by the SBA should be expanded relative to the demographics of creditworthy targeted potential borrowers; 4) Start-up business credit allocations should increase as a result of reduced real estate loan allocations; and 5) Small loan (\$50,000 and less) minimum requirements should be established for preferred and certified lenders to help meet the demand for smaller credits.

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CHAPTER I

INTRODUCTION

Banks have been required to comply with the Community Reinvestment Act (CRA) of 1977 for many years, however they are now subjected to formalized regulatory reviews and publicly disclosed ratings by banking examiners of such compliance. These ratings are also used by regulators as a hurdle for banks pursuing acquisitions, therefore CRA has become even more visible and critical in this active period of bank acquisitions and mergers.

Additionally, regulators are now looking for results, whereas previously quality documentation of efforts were constructively viewed, regardless of actual results.

With the increased scrutiny, all banks are making stronger efforts to establish acceptable formalized CRA programs and to determine reasonable methods of meeting their communities needs. One of the most accessible and widely recognized programs which qualifies for CRA credit is utilization of the Small Business Administration's (SBA) loan programs. The SBA

provides the single largest federal source of funds for economic development financing. Approximately \$5.3 billion of guaranteed loans were approved by the SBA in the fiscal year ended September 30, 1992. In fact, urban and suburban banks reported using SBA programs almost three times as frequently as any other federal program.¹

Although the goals of the SBA and CRA regulations are not directly related, coordination and cooperation between them and the lending community is vital in supporting the country's overall objective to provide successful community development and job creation. The continuing demise of inner cities throughout the country, spreading to suburban areas, is evidence that we must all work together quickly, and try to overcome these growing problems.

This paper will specifically focus on the adequacy of the SBA 7(a) credit provided to targeted small business borrowers as identified by banks in their needs assessment surveys. The purpose of this paper is to provide necessary information and analysis to determine if banks are able to successfully utilize the SBA 7(a) program to support their Bank CRA programs, or if the structure and operation of the SBA potentially limits benefit to targeted community groups which banks have identified in their needs assessment surveys. If research indicates that more SBA guaranty dollars are

necessary to assist a particular borrower group, a suggested proposal to facilitate the desired result is presented.

Chapter II will outline the Community Reinvestment Act (CRA) and provide a historical evolution which will lead the reader to the compliance requirements imposed today. This chapter also addresses whether the SBA or nonbank lenders approved to employ SBA resources are subject to any similar community development standards. Chapter III will provide a summary of the SBA's purpose and the significance of its resource contribution for small business assistance. Several key loan and lender programs will be outlined with specific focus on SBA program requirements which specifically support community development.

Chapter IV will present the results of several major bank needs assessment surveys in the area of small business lending to identify where 7(a) program changes for resource distribution may be warranted. Chapter V will provide an in-depth analysis of SBA lending results in areas identified in the needs assessment surveys. Chapters VI and VII will document various SBA lender and SBA objectives which are diverse and opposing in certain instances. Chapter VII will contrast targeted small business needs and actual SBA lending results and will present proposed modifications to the SBA 7(a) program.

In general, the banking community views the SBA as a useful and profitable resource which has been demonstrated as an ideal program to assist banks in meeting CRA requirements. This paper is taking a more focussed approach in looking at the actual bottom-line results of lending to ensure that the SBA resources are able to be used to meet all identified targeted communities needs for creditworthy applicants. This specific perspective has not been widely addressed in articles or publications.

Information to support the analysis and opinions presented in this paper were obtained from interviews with SBA lenders at several institutions as well as a reasonable quantity of SBA lending results provided by the SBA. A variety of government agency guides on CRA, SBA standard operating procedures and publications, the code of federal regulations and articles were used as a basis for research.

It is anticipated that this paper will be useful to bank SBA lenders, the SBA, and CRA regulators as a creative approach to achieving better real penetration of small business borrower needs with government guaranteed funds. This paper is intended to serve as a suggestive medium, rather than providing definitive proposals for which all implications of proposed changes have been thoroughly evaluated.

CHAPTER II

COMMUNITY REINVESTMENT ACT

History

The history of the Community Reinvestment Act began long before it was enacted in 1977. Traditionally, financial institutions in the United States have had an obligation to serve the public because of the privileges they receive from the government - which other businesses do not. For example, financial institutions have charters to do business, obtain federal deposit insurance, and borrow money under special arrangements from the Federal Reserve discount window. These privileges gave rise to the principle, found in our banking laws as far back as the 1930s, that financial institutions should serve the "convenience and needs of their communities".² It is therefore essential that banks be ethical and responsible. For purposes of reference in this paper, "banks" refers to State or National banks or State or Federal savings and loan associations.

Prior to the passage of the CRA, there was significant concern

by individuals and community groups that banks were not ensuring fair access to credit, especially in inner cities. Community groups spoke out against redlining - the perceived practice of drawing red lines around designated lower-income neighborhoods where individual banks would not lend money, regardless of the creditworthiness of individual loan applicants. Many people felt that the obvious economic decline of urban areas was exacerbated by financial institutions who would gladly take deposits from these areas, but would not reinvest in these same communities via loans. During this time, Congress was focussing on the problems of revitalizing neighborhoods and the role that financial institutions could provide to support this project.³

Bank Compliance Requirements

In 1977, Congress passed the Community Reinvestment Act (CRA) (Exhibit A) which made it a priority for all federally insured financial institutions - commercial banks and savings institutions, as well as their holding companies and mortgage banking subsidiaries to achieve the goal of meeting the credit needs of the entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of the institution.

The CRA also mandated that the financial regulatory agencies

including the Federal Reserve Board, the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency take an institution's CRA performance into account in considering any application to establish or relocate a branch, to become a bank holding company, or to merge with or acquire (or be acquired by) another institution.

Although progress had been made by financial institutions, Congress and the financial regulatory agencies have taken action to require more diligent compliance efforts and attention to CRA in meeting the credit needs of low- and moderate-income people.

To provide guidance and increased incentive to the challenge of meeting stepped-up goals, the financial regulatory agencies and Congress jointly published a statement on April 5, 1989 in the Federal Register (Exhibit B). This statement provided lenders with guidance regarding the types of policies, procedures and documentation they should have in place in order to fulfill their responsibilities under the CRA on an ongoing basis. This joint statement also specified for the first time the procedures regulatory agencies would use to review an institution's CRA compliance and performance.

This publication includes guidelines for developing an

effective CRA process. The experience of the Agencies indicates that an effective CRA process must include techniques to determine community needs on an ongoing basis through outreach efforts to local governments, businesses and community members and organizations. The plan should also include periodic analysis of the disposition of loan applications to ensure that potential borrowers are treated in a fair and non-discriminatory manner.

Institutions have been provided significant flexibility in developing specific policies and programs to meet their CRA responsibilities. Each institution must look to its size and business strategy as well as the size, nature and needs of the community(ies) it serves when determining the steps it will take meet CRA requirements.

In August 1989, Congress and the President signed into law the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) (Appendix C). The primary impact of FIRREA was to revise the evaluation procedures for CRA compliance. FIRREA amended the Community Reinvestment Act in three key ways. First, it requires the financial regulatory agencies to use a four-tier descriptive rating system instead of the five-tier numerical rating system in assessing the CRA compliance of financial institutions. Second, it requires the agencies to provide financial institutions with a written evaluation of

their CRA performance, including a section intended for public disclosure that explains the agency's conclusions, discusses the supporting facts, and contains the institution's rating. Finally, it requires that financial institutions disclose their CRA rating to the public for all examinations begun after July 1, 1990, by placing the public section of their CRA performance evaluation in the institution's public comment file.⁴

SBA/Nonbank Lender Compliance Requirements

The SBA is required to comply with all regulations established by the Code of Federal Regulations and does attempt to respond to current economic conditions and community needs, however they are not required to meet certain percentages of activity by type of borrower, loan purpose, loan size, or any other criteria. Internal SBA ratings and motivation by district are primarily focussed on number of loans approved.

Nonbank lenders, which include credit unions, Production Credit Associations, Edge Corporations, Federal Land Banks, and other lending agencies under the supervision of the Farm Credit Administration are also not subject to any community reinvestment compliance requirements as a condition of operation. Each lender may independently choose to participate in community support efforts to promote their

company's goodwill, generally with the objective being a good citizen and therefore attracting customers.

CHAPTER III

SMALL BUSINESS ADMINISTRATION

Purpose and Costs

The SBA programs have been in existence since 1954, long before the bank CRA guidelines and requirements were formalized by the government. The purpose of the SBA programs are to support and assist small businesses through a variety of services and lending programs designed to meet the specific informational, managerial and financing needs of small businesses. The SBA was established through the Small Business Act of 1953 and the Act itself outlines the SBA's mission. It is stated as follows:

"It is the declared policy of the Congress that the government should aid, counsel, assist and protect, insofar as is possible, the interest of small business concerns in order to preserve free competitive enterprise . . . and maintain and strengthen the overall economy of the Nation."

The government annually provides budget for each individual SBA loan program. For fiscal year (FY) 1992, almost \$4 billion of guarantee authority was allocated for the SBA 7(a) program. The guarantee authority represents the SBA's guaranteed portion of total loans extended under the program,

which translates into a larger total amount being provided to the borrowers. If the average guarantee percentage is 80%, then \$4 billion/80% or \$5.625 billion may be loaned to small businesses. A cost which the government must include in the budget are the potential net loan losses ("subsidy") on their guaranteed portion. The most recent subsidy has been approximately 4.9% for 7(a) loans. The subsidy represents the estimated net loss to the SBA which is comprised of a 15-20% borrower default rate, less amounts recovered from liquidation of collateral. Based upon net estimated losses of 4.9%, and \$4 billion in guarantee authority appropriations, a subsidy of \$196 million would be provided in the federal budget. This financial contribution is sizeable and demonstrates a very beneficial and successful commitment by the United States government.

Guaranty Loan Programs

The SBA currently has two active loan programs utilizing guaranty authority. The SBA 7(a) program supports small business loans for a variety of purposes, and the 503/504 loan program for economic development with access through Community Development Corporations for real estate loans only.

A guaranteed participation (referred to as a guaranty loan) is

a loan made by a private lender subject to the guaranty of SBA. The SBA's share of a loan generally may not exceed \$750,000.

7(a) Guaranty Loan Program - This program supports joint participation loans in which the SBA guarantees the repayment of a business loan to a private lender based upon a predetermined guaranty amount. The SBA guarantees up to 90% of the bank's outstanding loan balance (generally up to an SBA maximum exposure of \$750,000) based upon the loan amount and use of loan proceeds.⁵

Interest rates may be fixed or variable. On variable rate loans with maturities of seven years or less, the SBA will allow a lender to charge up to 2.25% above the lowest prime rate quoted in the Wall Street Journal (WSJ). On loans with maturities in excess of seven years, lenders may charge up to 2.75% above the lowest prime rate quoted in the Wall Street Journal. The SBA places no restriction on interest rate minimums. Maximum loan maturities are determined by the use of loan proceeds and range from 5-25 years. Proceeds may be used for any legitimate business purpose with the exception of payment of accrued IRS obligations. Generally the loans are used for real estate, expansion, equipment purchases, working capital, or inventory.

To be eligible for an SBA 7(a) guaranteed loan, a firm must be for-profit, independently owned and operated, and not dominant in its field. Firms must fall within certain size standards based upon their industry. Firms must also prove that they are unable to obtain financing on reasonable terms unless it carries the guarantee. In addition to meeting these requirements, the borrower must show the SBA that he or she will be able to repay the loan. This includes having the ability to successfully operate a business; having enough capital so that, with the loan, the business can operate on a sound financial basis; and having a past earnings record and future prospects that indicate the firm is capable of repaying such a loan.⁶

SBA 503/504 Economic Development Loan Program - This program focuses on job creation and the development of targeted economic areas. These economic development criteria are presented in Exhibit D - Projects Financed by the 503 Program (an excerpt from the standard operating procedure of the SBA 503/504 loan program). The program's primary focus is to assist small business concerns in the acquisition or expansion of facilities. The SBA participates with a local lender by dividing a project's cost into three parts. In a typical arrangement 50% of the costs are covered by a loan from the participating lender, 40% of the costs are covered by a loan

from the SBA and the remaining 10% is paid by the small business borrower as a down payment. The participating lender is give a first lien position on the pledged property with SBA in a second lien position.⁷

The SBA second lien position cannot exceed \$750,000 unless the project meets specific economic development criteria defined as Public Policy Goals which are outlined below. In those circumstances the total SBA loan exposure can be increased to \$1,000,000.

There are no rate restrictions on the first mortgage/trust deed loan. The second mortgage/trust deed loan is a fixed rate loan usually priced at 150 basis points above the 10-year treasury yield.⁸

Public Policy Goal categories applicable for 503/504 loans were established by the SBA in 1991. Criteria for qualifying projects under these categories is included in Exhibit D. Following are the categories:

1. Business District Revitalization
2. Expansion of Exports
3. Expansion of Minority Business Development
4. Rural Development
5. Enhanced Economic Competition

6. Changes Necessitated by Federal Budget Cutbacks
7. Business Restructuring Arising from Federally Mandated Standards or Policies

Loans which meet any one of these goals are qualified for an increase in the maximum SBA guarantee from \$750,000 to \$1,000,000.

In 1991, the SBA did specifically allow category 1. above, better known as the rehab criteria to also be eligible criteria for 7(a) loans up to \$750,000 and category 2., export, to be eligible for 7(a) loans of any amount up to the increased \$1,000,000 SBA guarantee limit.

This paper focusses specifically on SBA 7(a) loans and how to best target the 7(a) program to more adequately promote community development. The SBA 503/504 loan program is discussed to demonstrate SBA's commitment to community development and as a reference for the community development focussed structural elements in the 503/504 program for consideration in developing the 7(a) loan program proposals.

Lender Programs

The SBA is actively involved in the processing of each participating loan to varying degrees. The SBA has established two privileged programs for guaranteed reduced response/approval time by the SBA on each 7(a) loan package presented.

The Certified Lenders Program (CLP) first introduced by the SBA in 1979 utilizes the credit presentation of the bank's loan officers to shorten the SBA's processing time. The SBA pledges a three-working day service in arriving at a credit decision for loans submitted under this program.⁹

The Preferred Lenders Program (PLP) initiated in 1983 allows the SBA to delegate greater authority in the loan approval decision and additional servicing and liquidation responsibilities to qualified, reliable private-sector lenders. The SBA relies on the credit analysis ability of these lenders in almost all cases. In general, PLP loans should be the stronger credits in which underwriting issues are clear cut and not ambiguous. Although a large percentage of PLP is desirable, PLP lenders should always use CLP or regular processing procedures if there are any unusual or questionable circumstances. Since the SBA only performs an eligibility review, it pledges one-day service.¹⁰

IV. CRA: NEEDS ASSESSMENT SURVEYS

In evaluating the CRA activities of a bank, one of the key areas of interest to regulatory agencies is the CRA process utilized by the bank. They believe that appropriate consideration should be given to an institution that makes ongoing efforts to ascertain the needs of its entire community, develops products and services that are responsive to those needs, and markets those products and services throughout the community. An active program of management involvement, policy oversight, and regular review is most likely to assure that the products and services the institution chooses to offer will meet community credit needs, be adjusted when those needs change, and be available to all segments of the community.

BankAmerica Corporation Needs Assessment Survey Results

BankAmerica Corporation conducts a formal survey of all affiliates and their districts annually. The survey is entitled "Community Reinvestment Act (CRA) 1992 District Credit Needs Assessment Questionnaire". Responses to this

survey were reviewed and the following summarizes a representative sample of the results related to small business credit needs.

The specific questions in the survey include:

- Identify any internal impediments to meeting the credit needs you have identified, and
- Do you have any suggestions for the improvement of the Bank's CRA Program?

Replies:

Start-up companies:

- There is still a vast market for small business lending which involves start-up companies
- Bank's reluctance to consider small business credit for start-up businesses
- Loan program for start-up business
- Small business loans for start-up medical and dental practices
- There is a need for start-up business financing other than SBA which clients perceive to be too time-consuming and complicated.

Minority businesses:

- Need business credit program to target minority borrowers
- Need a process to review minority applications for business loans for other possible programs.
- Set up minority small business loan program

SBA Loans:

- Efficiently and expeditiously process SBA loans

- Local city will no longer refer SBA applicants to Bank of America because of our decline rate and inflexible demands

Other:

- Bed and breakfast financing needed
- Need for receivables financing for small businesses
- Credit criteria too stringent for many small businesses

Federal Reserve Bank of San Francisco Needs Assessment Survey

Results

The Federal Reserve Bank provides Community Investment Opportunity documents for individual cities in their serving area for the purpose of providing information to bankers about programs (opportunities) in which they can become involved to help meet community credit needs. Following are excerpts from several documents.

Oakland, CA - "Business loans in the form of working capital lines of credit, inventory and equipment financing and commercial rehabilitation or facade improvement are sorely needed in East Oakland. Very small business loans (under \$50,000) and loans for business start-up are also needed."¹¹

San Jose, CA - "Loans to encourage small business development have been identified by many business owners and city officials as one of the greatest credit needs in downtown San Jose. Local residents feel that while redevelopment has been instrumental in attracting professional and large commercial operations downtown, the city center needs more run-of-the-mill, ordinary services traditionally provided by local small

businesses. Such small business development will help to create major retail focal points in downtown San Jose, which will draw shoppers to the downtown area."¹²

Sacramento, CA - "Several small business owners and local government officials expressed a strong need for small business financing in the form of working capital, inventory and equipment financing. The need is particularly acute for small businesses in the first years of operations. For many businesses, undercapitalization is a fundamental obstacle to obtaining financing. To address this issues, financial institutions may wish to explore SBA financing, minority business development centers, and non-profit business development corporations."¹³

A spokesperson for Wells Fargo Bank's Community Development Department echoed these types of findings through their credit needs assessment. The lack of both equity and debt financing for start-up and young businesses is one of the most frequently expressed needs.

In summary, the most recurring needs expressed in these assessment survey results relate to resource availability for: 1) start-up companies, 2) minority businesses, 3) financing other than real estate and, 4) small loans \$50,000 or less. This information has been used to identify the areas researched in this paper with the objective of proposing modifications to the SBA 7(a) loan program.

V. SBA: LENDING RESULTS

The SBA evaluates results for SBA loans based upon numerous criteria. To determine what changes, if any, may be proposed for 7(a) loan program resources, it is very important to understand how those resources are currently being utilized. This chapter will review a SBA lending results and attempt to establish a basis to support proposals for new or modified formal guidelines for SBA 7(a) loan program resources.

Certain key information was not available in a results study, however is significant and merits mention. Per informal discussion with the SBA and SBA lenders from several major banks, it is general knowledge that 55-60% of SBA loans are secured by real estate and generally for the purpose of real estate purchase.

These loans are well collateralized which reduces risk, therefore they are attractive to lenders as well as the SBA. PLP and CLP approved lenders tend to benefit significantly from these loan opportunities due to the quicker approval turnaround pledged by the SBA. Real estate loans also tend to be larger on average than loans for working capital, the

purchase of equipment or other similar business operation purposes.

Banks Versus Nonbanks by Lender Status

Information was obtained for FY 1992 lending results for the San Francisco Region Office (Region IX), which covers the following districts: Fresno, Honolulu, Las Vegas, Los Angeles, Phoenix, San Diego, San Francisco, Agana (Guam), Sacramento and Santa Ana. The information includes the top 78 lenders ranked by total number of loans approved (Exhibit E). This population represents 79.30% of the number of loans made during the period, 82.39% of the loan amount, and 81.85% of the SBA share.

The information provided by the SBA and shown in Exhibit E contains lender's name, number of loans originated, total loan amount, and SBA guaranteed share of loan. The average loan amounts were calculated for the purpose of analysis in this paper. Community Development Corporation (CDC) activity, which represents exclusively 503/504 loans, and direct SBA loans are included in the population. For purposes of detailed analysis in this paper these two categories of loans are excluded.

After exclusion of the direct SBA and CDC loans, the number of loans covered is 73.66%, loan amount is 76.73% and SBA share is 74.93%. This population of approximately 75% of loan number and amount may include some CDC 503/504 loan results (for those CDC's with number of approved loans of 15 or less loans made in FY 1992) inflating the percentage covered slightly. Nonetheless, the analysis should provide useful results for purposes of this paper.

Additional information is included on the analysis which was not provided by SBA, but is coded utilizing general public knowledge and specific lender knowledge. As this paper focusses on bank versus nonbank usage of the SBA programs and the effect of enhanced lender status (PLP or CLP) versus lending results this information is important to the analysis. The classification of lenders as banks or nonbanks was completed based upon the lender name. If it included "bank" it was classified as a bank, otherwise as a nonbank. As discussed above, the direct SBA loans and CDC loans are excluded.

The information regarding lenders who have PLP or CLP status was obtained from knowledge of active lenders in the field. This information is generally known among active SBA lenders in the industry. To determine lender status, several key employees in Bank of America Community Development Bank,

including the president, SBA sales manager, and SBA sales officers as well as senior management from other banks were queried as to their knowledge of PLP and CLP lenders. The final results were validated with the group and although not able to be factually confirmed, and inevitably containing errors, should be reliable for purposes of this study.

The following table outlines the relationship between numbers of lenders by category and their utilization of the SBA share of the loan amounts per the information contained in Exhibit E.

Table 1
Summary of Number of Lenders by Type
Versus Percentage of SBA Share Loan Amount

Category of Lender	# of lenders	(A) %	(B) % of total SBA share	(B)/(A)
Bank Enhanced	18	26.1%	39.5%	1.5
Bank Regular	47	68.1%	37.7%	0.6
Nonbank Enhanced	3	4.3%	21.7%	5.0
Nonbank Regular	1	1.4%	1.1%	0.8
	69	100.0%	100.0%	

As shown in the Table 1, the utilization of the total SBA guaranty share of loans per lender category varies widely. This table shows the number of lenders by category as a percentage of the 69 lenders analyzed in Exhibit E. This

result is then compared with the percentage of the total SBA share of approved loans by the same lender categories.

The nonbank enhanced lenders have utilized 5.0 times the percentage of the total SBA share of loan amount than the percentage of the number of lenders in this category. The next highest category, bank enhanced lenders, has utilized only 1.5 times the SBA share of loan amount and regular lenders in both categories have a significantly smaller proportional usage.

A conclusion which may be drawn from this analysis is that the enhanced nonbank lenders are receiving a disproportionately large share of SBA allocations. The implications of this conclusion are important when taken in conjunction with other discussions in this paper. Is it appropriate for the largest users of the SBA guarantee for the 7(a) program on a proportional basis to be nonbanks whose motives are profit-making as opposed to conscientious community development?

The following tables reflect summarized data from Exhibit E which is utilized in the analysis discussed in the following sections:

Table 2
Attributes of Lending Results
for Enhanced Status Lenders

PLP/CLP Status Lenders (Enhanced Status)	Banks	Nonbanks
# of PLP/CLP lenders	18	3
Total # of loans	1,353	617
Avg. total loan size	\$336,025	\$399,139
Avg. size SBA share	\$265,105	\$319,498
Avg. SBA share/total loan size	78.9%	80.0%
Smallest avg. loan amount per individual lender	\$159,480	\$372,073
Largest avg. loan amount per individual lender	\$575,159	\$418,236

Table 3
Attributes of Lending Results
for Regular Status Lenders

Regular Status Lenders	Banks	Nonbanks
# of regular lenders	47	1
Total # of loans	1,223	48
Avg. total loan size	\$345,708	\$254,313
Avg. size SBA share	\$279,665	\$200,547
Avg. SBA share/total loan size	80.9%	78.9%
Smallest avg. loan amount per individual lender	\$102,467	\$254,313
Largest avg. loan amount per individual lender	\$547,167	\$254,313

Small Versus Large Loans

Per a review of the information summarized in Tables 2 and 3, the average total loan size and SBA share for nonbank lenders with enhanced status is \$63,114 and \$54,393 higher than the comparable bank average loan sizes. The largest and smallest average loans per bank and nonbank lender with enhanced status are quite different. The high and low for bank lenders is \$575,159 and \$159,480. For nonbank lenders the range is narrower at \$418,236 and \$372,073.

Further analysis discloses that there are only 4 out of 18

bank lenders with enhanced lender status with higher averages than the smallest average loan amount for nonbank lenders with enhanced lender status. Additionally, there is only one enhanced lender bank with a higher largest average than the enhanced nonbank lenders.

Per review of similar data for regular status lenders there are 48 bank lenders versus one nonbank lender, therefore comparative results may not be particularly useful. However for regular status bank lenders, the average total loan size is \$9,683 or 2.9% higher than the average total loan size for enhanced status bank lenders. This unexpected result is mitigated by the comparative smallest and largest average loan balances for regular lenders compared to enhanced status bank lenders. Regular status bank lenders have lower average balances for both the smallest and largest average loan size than enhanced status bank lenders by \$57,013, and \$27,992, respectively.

The SBA has recently established a program to stimulate lenders to make loans \$50,000 or less (termed "small loans" for purposes of this paper). The incentives from the SBA are in the form of retention of half of the two percent guarantee fee payable to SBA (a savings which the lender can pass along to the borrower, if desired), the ability to charge higher interest rates than normally permitted. While some SBA

lenders believe that the financial incentives are insufficiently generous to make a difference, others find them a lure to grant smaller loans to entrepreneurs than they would otherwise like to make.¹⁴

Comprehensive information on small loan results was not able to be obtained from the SBA, however limited information was found in several sources and provides a general idea of the volume of small loans originations.

In 1991, loans for \$50,000 or less comprised 16 percent of the national SBA total number of loans. The number of SBA loans for \$50,000 or less made in FY 1991 in the 35-county San Francisco District, which led all Region IX (San Francisco Region) districts in lending, increased 56% over 1990.¹⁵

The SBA Letter for Lenders (San Francisco District) published in December 1992 indicated that 87 loans were made for \$50,000 or less, only seven more than the last fiscal year and over half of those loans were at the \$50,000 level. Based upon 1,385 total loans made in the district, per the same newsletter, small loans represent 6.3% of the number of loans. This percentage is significantly lower than the 16% national average noted above.

By observation of SBA lending results and activity in the

market, enhanced lenders, especially nonbanks, appear to be creaming the top of the borrower market and don't view the lower tier of borrowers as their customers. Banks, on the other hand, tend to view a much broader scope of customers as potential borrowers in part due to CRA requirements and their obligation to the community.

A reasonable conclusion from this information is that banks are doing a better job than nonbank lenders of making a higher number of smaller loans to benefit the small business community. An objective of this paper is to discuss the lender and SBA results in meeting the needs of the community, therefore specifically reaching the small size loan borrowers sufficiently is important.

Minority- and Women-Owned Business Results

Detailed loan origination information for these categories was not able to be obtained for recent years.

For the fiscal year ended 1990, the demographic characteristics of the outstanding SBA 7(a) portfolio are generally similar to the demographic characteristics of small business owners nationwide. White borrowers hold about 85 percent of the total 7(a) outstanding principal, while, according to the Bureau of Census, white business owners generate about 96 percent of small business sales and receipts. Minority borrowers hold about 13 percent of outstanding 7(a) principal, which compares favorably with the proportion (about 4 percent) of small business sales and receipts that minorities generate. Women, however have a smaller representation in the portfolio than they do in national small business statistics, accounting for about 10 percent of outstanding 7(a) principal while generating about 14 percent of small business sales and receipts.¹⁶

VI. LENDER OBJECTIVES

Lenders have several key objectives in utilizing the SBA loan programs with profitability and loss limitations (via the government assistance in the form of the guaranty) being an obvious and primary goal, as well as banks' desires to facilitate lending to certain borrowers who may not qualify under traditional bank criteria.

In the "Statement of the federal financial supervisory agencies regarding the Community Reinvestment Act" (Exhibit B) there is specific mention of SBA loans as an example of a specific element of an effective CRA program.

Also, banks may consider purchasing or participating in CRA type loans (including SBA loans) originated by other banks to help support their CRA efforts.

Profits

SBA loans offer profitability in several ways. For 7(a) loans, the rate on variable rate loans may be set at up to

2.25% or 2.75% above lowest WSJ prime, depending upon the maturity. Additionally, a key profitability option is supported by the strong secondary market for SBA loans sales. The guaranteed portion of SBA loans can be pooled and sold on the secondary market for a premium. These premiums fluctuate with the market and have been as high as 17%. Because the bank receives this premium immediately when the guaranteed portion of the loan is sold, along with the payment of the guaranteed amount (which can in turn be re-lent and leveraged many times), the profitability of SBA lending is greatly enhanced. In short, the gross yields on SBA loans would probably rival any investment the bank might have.¹⁷

On small loans (up to \$50,000) or loans in rural areas (up to \$75,000), the lender earns one-half of the 2% guarantee fee charged on all SBA loans with maturities over one year. According to the SBA, this added incentive helps overcome the argument that lenders cannot make small loans or rural loans profitably.

As noted in the lending results of the SBA on the 7(a) loan guaranty program, a significant portion, 21.7%, of the SBA dollars (Refer to Table 1) are utilized by nonbanks with enhanced lending status, who are not subject to CRA requirements and who originate large dollar size loans. These elements contribute in a major way to these lenders successful

profitability in utilizing the SBA programs. To the extent that these lenders experience a lower loss percentage due to the high quality borrower, their continued assurance of retaining their enhanced lending status is strengthened. Additionally, because their average loan size is quite large, pools of salable loans can be put together relatively quickly, perpetuating the gains/premiums received on loan sales and strengthening the secondary market.

It is important to note that these are beneficial activities to all involved and serve a very important purpose in our communities and among commercial lenders. The next section addresses other objectives of some lenders which, to be achieved, require some degree of trade-off of profitability as the only lender goal of SBA loan programs.

"Targeted" Community Development

Some lenders utilizing the SBA 7(a) loan program choose to use the program to help meet focussed CRA objectives and are willing to make a trade-off between high profitability and community development, while still making safe and sound loans under the program.

BankAmerica Corporation (BAC) has been a prominent player in

taking new and creative approaches for meeting community needs under CRA. Under its guidance, BAC affiliates have made many investments in community development projects, as well as having designed loan programs to meet numerous special needs borrowers. This often entails adjusting underwriting guidelines, without compromising loan quality and ultimate paydown by borrower. Because of BAC's visibility in the financial institution arena, especially in light of many recent acquisitions and mergers, the corporation wishes to work with community groups, and regulatory and government agencies to make inroads in new guidelines and tools that will help improve development in the communities it serves. BAC also provides lobbying efforts on behalf of all financial institutions subject to CRA requirements to help expand options to provide real benefits in communities where needs are not being met.

In 1990 BAC formed a California state chartered bank now called Bank of America Community Development Bank (BACDB) as a specialized commercial community development lender. Two of the key programs offered by BACDB are the SBA 7(a) and 503/504 loan programs.

The 503/504 program is already very targeted to economic development. The program focuses on job creation and the development of economically disadvantaged areas. This program

is evidence that the SBA recognizes the ultimate needs of communities and is encouraging financial institutions to help improve the quality of our country by allowing financial institutions and other lenders the option of participating in this loan program. The program is almost exclusively utilized for real estate purchase, renovation or development.

BACDB is using the SBA 7(a) loan program in a very ambitious way to meet needs clearly not being met in the industry and has identified some difficulties in applying the program effectively.

BACDB has provided specific goals and incentives to each sales officer which include: loans under \$100,000, loans to minority-owned businesses, loans to women-owned businesses and equipment and working capital loans, in addition to real-estate loans.

There is a high demand for these loans and they are labor intensive due to the normal SBA documentation requirements as well as the credit analysis which is performed for all loans which appear to have a possibility of qualifying. The number of loans which must be analyzed to achieve one approved loan is approximately 2.5 to 1. ¹⁸

The cost of labor, especially for the smaller loans, seriously

compromises ultimate profitability on each individual booked loan. Although the SBA reduces the guarantee fee by 50% (or generally 1%) for certain smaller loans, BACDB does not feel that this amount contributes materially to offsetting the excess costs in originating these smaller loans.¹⁹

BACDB is currently in the process of increasing loan origination volumes and soliciting from the SBA expanded use of PLP status in various SBA districts, which would enhance loan turnaround time, reduce expenses, increase customer satisfaction, and demonstrate strong commitment to small business owners, as well as enhance the image of the SBA to the community. To date they have yet been unable to achieve that status, primarily due to a perceived SBA preference for doing volume business with lenders originating commercial real estate loans.

Evidence shows that lenders with enhanced status are basically rewarded by the SBA in a such a way as to curtail their contribution to improving the communities by lending to the less obviously strong borrowers, regardless of whether such borrowers would qualify for a loan. The enhanced status, which generally offers very quick SBA approval turnaround, allows these lenders to attract the healthiest borrowers with strong collateral, namely real estate, to the exclusion of other categories of small business borrowers whose needs are

not able to be met by standard unguaranteed bank loans.

Due to the high per loan costs of originating small loans, as well as the various motivations for enhanced status lenders to pursue the top tier of healthy borrowers, a significant amount of available SBA 7(a) funds each year do not adequately reach the whole qualifying small business population.

VII. SBA OBJECTIVES

Current Objectives

As stated earlier in the paper, the primary purpose of the SBA is to aid, counsel, assist, and protect the interests of small business concerns. The SBA has made attempts to respond to needs of small business borrowers in accordance with the guidelines set forth in the Code of Federal Regulations - Business Credit and Assistance, Title 13.

There have been several recent contributions by the SBA in program modifications to recognize demands by lenders and small business borrowers. One is the smaller lending program outlined in the SBA lending results section of this paper which the SBA has promoted by allowing banks to retain 50% of the 2% fee collectible from the customer. Another is the opportunity provided by the SBA for loans which meet the 1991 defined Public Policy Goals as qualifying for the 503/504 program and an increased guaranty limit to \$1,000,000, with a subset of these changes also applicable to the SBA 7(a) loan program.

In addition, the SBA has recently established pilot lending programs for revolving lines of credit and seasonal borrowing needs.

Proposed Guidelines to Support Specific Commitment to Targeted Categories of Small Business Borrowers

We have established that the SBA guaranty programs provide the major source of government support for small business development in the United States. The program allows for many businesses that would otherwise not be able to obtain financing on reasonable terms with a traditional bank loan to obtain resources to start-up or expand their business.

This section of the paper will combine information previously addressed with some new material and develop a set of suggested new guidelines for the 7(a) program which would focus and direct the SBA and SBA lenders to more effectively utilize government SBA guarantee authority. The objective is to ensure that small business financial resources are allocated where needs are not adequately being met today for qualified small business borrowers.

For purposes of this proposal, the writer is assuming that it is reasonable and desirable for the goals of the SBA and CRA to

work in concert to create wealth in the economy and that small businesses are a very significant component of the economic structure in this country.

The bank needs assessment survey results which were presented earlier in this paper will be used to determine which areas currently evidence an "apparent" lack of sufficient small business financing. "Apparent" is significant for purposes of this evaluation because there may be cases where some borrowers and/or lenders feel that certain small business needs are not being provided for, however a key requirement/goal of CRA, SBA and all lenders are for credits to meet certain creditworthiness standards. The ability to repay a loan from the cash flow of the business is the most important consideration in the loan making process.²⁰ SBA loans are not intended to supplement lack of capital in a business. Some types of business needs may inherently be more risky than others and a prudent lender or regulator would not look favorably upon loan funds or guarantees appropriated for unreasonably risky purposes.

A number of major topics will be discussed, a judgement made as to whether program modifications will be proposed for the particular issue, and a suggested program requirement will be drafted, if determined beneficial.

The proposals presented are intended as suggestions with reasonable basis and should demonstrate that there are unlimited creative opportunities to improve and enhance good basic programs, in this case the governments' SBA program. There has been definite response from the SBA in recognizing the changing needs of the small business community. For any of these or other ideas to be pursued formally through the proper channels, there are many implications which would require thorough evaluation that have not been touched upon in this paper. In some cases presented, even if pursued, there may not be ways to arrive at reasonable requirements considering all implications and the increased monitoring requirements. The purpose of these elementary proposals are to allow lenders, the CRA and other regulators, and the SBA to continue to be willing to pursue improvements and changes that result in economic betterment. An approach taken for many of the proposals is to establish formal percentage relationship between trade-off options ensuring that for very profitable activities, some trade-offs should be required for community commitment.

Following are the major topics for which possible proposals will be considered:

- Real estate loans
- 503/504 versus 7(a)
- Bank versus nonbank appraisal requirements
- Concentration

Gain on loan sales

Minority- and women-owned businesses

Start-up business loans

Small loans (\$50,000 or less)

In addition, some general proposals will be presented.

REAL ESTATE LOANS

Real estate: 503/504 vs. 7(a) loan - Real estate loans can be made under both SBA programs, however the 503/504 program contains certain community development criteria including the creation and retention of jobs and the development of targeted economically disadvantaged areas, which must be met for a loan to qualify. The 503/504 program also provides for a much greater leverage (often greater than 1:1) of the SBA appropriations because the maximum SBA loan may be provided for up to 40% of the needed funds up to \$750,000 or \$1,000,000, in certain cases, and the remainder are lender funds. 7(a) program loans generally have an 80% guarantee up to \$750,000. The interest rate on a 7(a) loan is floating, whereas the SBA portion of the 503/504 loan is fixed rate for 20 years and the terms of the 1st mortgage with the lender are fixed or floating. This information then suggests that any real estate loan that could possibly qualify for the 503/504

program should be granted under that program. Also, such a loan is clearly offering a benefit for both the community and the borrower from an interest rate/cost perspective.

Real estate: Bank versus nonbank appraisal requirements - Banks are subject to specific appraisal requirements dictated by their primary federal regulator (OCC, FDIC) whereas nonbank lenders are not held to such comprehensive requirements. This allows nonbanks to complete appraisals much more quickly and at a lower cost, which puts banks at a disadvantage in competing for these loans.²¹ This is especially significant if the bank would qualify for the loan under the 503/504 program and the nonbank lender utilizes 7(a) funds for the loan.

Additionally, this places the SBA in a position of accepting the risks of unregulated appraisals, which many believe to be a key contributor to the bailout costs incurred by the federal government in the recent savings and loan scandals.

Real Estate: Concentration - An estimated 55-60% of 7(a) loans are real estate secured. Providing real estate loans for small business owners to purchase a building in which to run their concern is a beneficial investment in the community. If they purchase the building that they occupy (and are currently renting) and will not create new jobs, the loan

would not qualify under the 503/504 program, and therefore can only be handled under the 7(a) program.

The last consideration is that SBA loans are available to eligible small businesses that could not otherwise borrow at reasonable terms from conventional lenders. Clearly some, if not many, of these borrowers would qualify and could afford a real estate loan from a conventional lender. Is the borrower benefit of a lower payment due to the longer term and a lower down-payment really the most prudent use of 7(a) loan program resources?

Proposal: All real estate loan applications must be completed to determine if the loan qualifies for the 503/504 program. If it does qualify, it will not be eligible under the 7(a) loan program. Each SBA lender will be restricted from having more than 50% of real estate secured loans versus total approved 7(a) loan originations in any SBA FY to remain an SBA participant. The demands placed on enhanced lenders, should be even tighter; real estate secured loans shall not exceed 45% of total 7(a) loan originations to retain enhanced lender status.

Commentary: Lenders who participate in the 7(a) and not the 503/504 loan program are at a distinct disadvantage under this proposal. This is an encouragement for more lenders to

participate in both programs to best use borrower and government resources. This reduction of real estate secured loans will increase capacity for other loans such as working capital and the purchase of equipment or inventory. The differentiated guideline for enhanced versus regular lenders should also help reduce imbalances in loan originations by purpose (real-estate versus other).

From a motivation standpoint, there is not a secondary market for 503/504 loans, therefore lenders may be more motivated to utilize the 7(a) program for qualifying loans to increase the opportunity for gain on sale of loans. The above proposal would help moderate this incentive.

GAIN ON LOAN SALES

The significant profit opportunities associated with the gain on the sale of SBA loans has been mentioned previously in the paper. Although profits are a major benefit of this activity in addition to the minimal lender losses on SBA loans, there are arguments that SBA resources are not being used in ways that most effectively provide the best value to the small business population.

Additionally, it seems controversial that SBA dominates economic development programs in the country, and yet does not have criteria which it has established and must formally meet in a fashion similar to bank compliance requirements for CRA. In fact, a major portion of the available funding provided by the government for small business development is being used to achieve higher than average profits for many lenders, primarily those selling loans in the active and efficient secondary market.

Proposal: In a letter to Congressman Kennedy dated February 3, 1993 (Exhibit F), Bank of America made several suggestions as to how the federal government can provide new incentives to expand the market for community development capital. Bank of America believes that the thrust of Congress should include leverage of existing sources of capital to provide new equity

for economic development.

Following is a specific excerpt from the letter which will be used as the proposal for this paper:

"Capture part of the gain accrued by SBA lenders who sell their loans in the secondary market to create a new equity fund for small businesses. Today, some SBA lenders are earning returns far in excess of the risk they incur because the federal government is not receiving compensation for the guarantee it is providing. The government could obtain a share of that value by garnering a specified percentage of the gain on sale, which currently runs in the range of 15 percent to 20 percent. If SBA lenders were required to pay half of their gain on sale into an equity fund for small business, a large pool of capital would be available to invest directly in nonprofit economic development corporations or to fund tax credits for small business loans in targeted areas."

MINORITY- AND WOMEN-OWNED BUSINESS LOANS

The analysis provided in the SBA lending results section of this paper indicates that women-owned businesses are not receiving SBA 7(a) loans in proportion to their sales and receipts, however outstanding minority-owned business loans compare very favorably to their sales and receipts. Not much current information to which notable results can be drawn on newer originations in these categories was available. The Bank of America needs assessment survey evidences that there are unmet loans demands in this category even though 39% of

government guaranteed loan originations in 1992 by Bank of America Community Development Bank (who provides all SBA loan originations for Bank of America in California) were to minority- or women-owned businesses.²²

One of the SBA's roles is to encourage small business loans to minority- and women-owned businesses. The historical perspective of guaranty loans presented relative to the outstanding portfolio does not provide information on recent originations for this targeted category. The results data included in this paper for minority- and women-owned businesses only addresses the ratio of SBA 7(a) borrowers to total small business owners nationwide. It does not take into consideration the actual targeted and creditworthy population desirous of obtaining funding; therefore the proposal below.

The real goal is for lenders to adequately reach the needs of minority- and women-owned businesses in each community with the assistance of the government guaranty.

Proposal: Another excerpt from the letter to Congressman Joseph P. Kennedy, Jr. (Exhibit F) suggests a refinement by the SBA to ensure that their existing guidelines regarding qualifications for approving a guaranteed loan are met. This quote constitutes the part of the proposal:

"Streamline and refocus the Small Business Administration to increase allocation of capital to minority- and women-owned enterprises. Today, the SBA guarantees loans that probably would have been made under conventional lending practices, and enables lenders to earn returns that are excessive relative to the risk involved. Unlike the CRA, the SBA program does not require lenders to assess the credit needs of small businesses in their communities, nor are the criteria for becoming an SBA lender particularly stringent."

A more specific component of the proposal is to require lenders (bank and nonbank) to provide originations with targeted goals midway (not specifically defined in this paper) between the demographic make-up of the community and the most current information on small business sales and receipts.

START-UP BUSINESS LOANS

Price Waterhouse (PW) conducted a study to evaluate the SBA 7(a) guaranteed business loan program. One of the objectives of this evaluation was to determine how firms use 7(a) loans. To determine the answer to that question, PW used a statistically valid method to select a sample of 1985 SBA loan recipients and a similar group of 1985 businesses that had not received SBA loans. A table from that study is shown in Exhibit G and displays the results of how the SBA group and the comparison group used SBA and commercial loans. 34.6% of the SBA group used their loan to start a business. This appears to be a healthy percentage, however the needs

assessment surveys also indicate that there are demands for this type of funding.

Based upon the indications that many people desire to start businesses, especially during the recession when unemployment is high and/or increasing and are not aware of the personal financial resources necessary, it appears that many of the demands cannot simply be met due to lack of evidence of creditworthiness.

SBA standard operating procedures are generous and provide that loans generally are not declined where inadequacy of collateral is the only unfavorable factor. In cases where collateral is insufficient to secure the loan request, other factors, such as a strong indication of repayment ability and/or management ability, can offset this deficiency. Unfortunately, applicants also frequently have these deficiencies, thus their needs cannot be met in a safe and sound lending manner.

Proposal: A specific proposal for start-up businesses has not been deemed necessary to achieve the objective of increased availability of guaranty funds for this targeted purpose. Refer to the proposal in the real-estate loan section which was developed to encourage more non real-estate collateralized lending to support other borrower demands.

SMALL LOANS (\$50,000 OR LESS)

For years, the SBA officials and members of Congress heard a common refrain from frustrated loan applicants: "Banks participating in the SBA lending program don't want to make loans for amounts less than \$100,000."²³ This is due to simple economics, the costs are generally the same for small and large loans, therefore the returns from large loans generally win out with lenders. There is another lender view which maintains that small loans are an investment in the future for both the small business and the bank. "Make a small loan now, watch the business grow and, sooner or later, the borrower will come back to us for bigger loans."²⁴

As discussed earlier in the paper, the SBA has implemented program incentives for small loans. This is a step in the right direction and applauded by those institutions interested in participating, however there is room to enforce greater originations for small loans.

Enhanced lenders are able to attract the higher quality borrowers due to the quick SBA approval turnaround they are granted. These loans are generally of higher credit quality, well collateralized, offer good yields, and may be profitably sold in the secondary market.

Enhanced status lenders have worked up the ladder within the SBA structure to earn this credential. Regular lenders who are striving to achieve enhanced status and banks who will continue to serve this borrower tier because it's the correct objective, handle applications from a lower tier of borrower than those often pursued by enhanced lenders (especially nonbanks). Regular lenders therefore put more effort into generating loan originations in terms of evaluation of the application (may include difficult collateral to evaluate and/or less objective qualities such as management experience), lower sophistication of the borrower, and generally smaller size of the loan requests. The paperwork required for these smaller loans includes the same detail required for larger loans, which from a cost/benefit standpoint to the SBA, lender and borrower, may be overdone.

To require a focussed contribution to the small business community, enhanced lenders should be required to originate small loans in an established proportion to loans greater than \$50,000.

Proposal: Enhanced status lenders should originate small loans (\$50,000 or less) in a number at least equal to 10 percent of the total number of loans originated in each fiscal year to retain their enhanced (PLP or CLP) status. In addition, the SBA should simplify the underwriting criteria

and due diligence work required on these loans to make them less laborious for both the lender and borrower.

General Proposals: The above proposals focus on changes to be made by the SBA, but there are additional considerations in the SBA/CRA focus taken in the paper. CRA guidelines offer a wide range of program possibilities to support regulatory compliance. The SBA should also take the initiative to propose suggested modifications of activities that CRA regulators allow as qualified for CRA credit. This coordination of CRA, SBA and lenders would result in more consistency and coordination in directing efforts for economic improvement.

For example, bank purchases of SBA (or other community investment type loans) from another institution provide the originating institution the opportunity to leverage funds, originate new loans and likely record a gain on sale. The purchasing institution, however, is not able to control or direct which targeted groups of borrowers needs may be met with the new originations.

Proposal: In order to support the SBA's goals to increase loan originations in categories where they desire to incent lenders (these categories have been shown to be very similar

to bank goals) the SBA should propose to CRA regulators that less bank CRA credit be granted for certain types of loans as follows:

Real estate secured loans - research indicates that this is an overserved category of borrower versus all other loan purpose objectives and supports lender profits more than targeted community development.

Purchased SBA loans - less credit should be provided for purchased loans versus in-house originations to encourage banks to really understand and direct SBA and other loan penetration in accordance with their community's needs.

VIII. CONCLUSION

Many objectives of and correlations among the CRA, the SBA, and lenders, bank and nonbank, have been examined in this paper. Surprisingly, in the big picture, the CRA, SBA and bank lenders tend to have quite similar overall objectives in economic improvement for small businesses.

Banks are the only entity in the above mentioned group that are held to regulatory compliance requirements related to community development objectives, although CRA guidelines are flexible. This is useful in allowing banks freedom in determining how to meet their community's needs adequately.

On the other hand, the government is offering a profitable opportunity for banks through participation in the SBA program without sufficient compensation to the SBA for the guaranty. Therefore it seems sensible for the SBA to utilize this opportunity to direct certain necessary results for targeted small business needs, as identified by the banks own needs assessment surveys. Research shows that special programs the SBA has recently developed and lending objectives that they are encouraging by incentives support needs that banks have

identified.

The objective of this paper is to determine if SBA 7(a) loan program resources should be allocated via new guidelines to support both lender profit and targeted community development objectives. The conclusion of the writer is yes, resources should be directed by the SBA via specific enforced guidelines imposed upon lenders to meet the bottom-line needs of qualified borrowers.

This conclusion was derived as a result of reviewing bank CRA requirements, SBA programs, bank needs assessment surveys, SBA lending results, and lender and SBA objectives.

Banks and nonbank lenders are the conduits for the largest source of government funds allocated for small business community development lending. As the goals of the SBA and its lenders, with the exception of nonbanks, are quite similar, it behooves the government to establish enforced guidelines to ensure that the funds are most beneficially utilized among the unlimited small business lending opportunities. Nonbanks must also be subject to these requirements in certain instances to ensure appropriate allocation of resources. Enhanced lenders, bank or nonbank, are also subjected to some special limitations in the proposals for the same reason.

Popularity of SBA lending has increased as a result of CRA requirements and the SBA has demonstrated that they want their programs to be viewed as a key CRA tool. Many publications state the benefits of using SBA programs for CRA compliance as well as profitability.

An argument could be that these proposed 7(a) program requirements will impose additional undesirable monitoring efforts on both lenders and the SBA. CRA regulators have already imposed documentation requirements on banks. As experience has been gained by both regulators and banks; results show both increased awareness and improved community development lending. It follows that enforcement of certain results by the SBA of its participating lenders is reasonable, and will likely generate improved distribution of resources.

The results of the new proposals would need to be tracked by the lenders and provided to the SBA, adding some additional efforts for each to ensure compliance with these new proposals. The ultimate result is a more targeted and directed use of SBA guaranty authority to serve currently unmet needs.

As with any other community development plan, the SBA, CRA regulators and banks should continue to adjust directives,

guidance and requirements on a proactive basis as community needs change.

ENDNOTES

1. 1992 National Bank Community Development Survey Report, Office of the Comptroller of the Currency, February, 1993.
2. "Community Reinvestment Act: A Citizen's Guide to the CRA," Office of the Comptroller of the Currency, June 1992, Banking Circular 261, p. 3.
3. Ibid.
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The Community Reinvestment Act of 1977

Housing and Community Development Act
Public Law 95-128

Title VIII—Community Reinvestment

Sec. 801. This title may be cited as the "Community Reinvestment Act of 1977."

Sec. 802.

(a) The Congress finds that—

- (1) regulated financial institutions are required by law to demonstrate that their deposit facilities serve the convenience and needs of the communities in which they are chartered to do business;
- (2) the convenience and needs of communities include the need for credit services as well as deposit services; and
- (3) regulated financial institutions have continuing and affirmative obligation to help meet the credit needs of the local communities in which they are chartered.

(b) It is the purpose of this title to require each appropriate Federal financial supervisory agency to use its authority when examining financial institutions, to encourage such institutions to help meet the credit needs of the local communities in which they are chartered consistent with the safe and sound operation of such institutions.

Sec. 803. For the purposes of this title—

(1) the term "appropriate Federal financial supervisory agency" means—

- (A) the Comptroller of the Currency with respect to national banks;
- (B) the Board of Governors of the Federal Reserve System with respect to State chartered banks which are members of the Federal Reserve System and bank holding companies;
- (C) the Federal Deposit Insurance Corporation with respect to State chartered banks and savings banks which are not members of the Federal Reserve System and the deposits of which are insured by the Corporation; and
- (D) the Federal Home Loan Bank Board with respect to institutions the deposits of which are insured by the Federal Savings and Loan Insurance Corporation and to savings and loan holding companies.

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(2) the term "regulated financial institution" means an insured bank as defined in section 3 of the Federal Deposit Insurance Act or an insured institution as defined in section 401 of the National Housing Act; and

(3) the term "application for a deposit facility" means an application to the appropriate Federal financial supervisory agency otherwise required under Federal law or regulations thereunder for—

(A) a charter for a national bank or Federal savings and loan association;

(B) deposit insurance in connection with a newly chartered State bank, savings bank, savings and loan association or similar institution;

(C) the establishment of a domestic branch or other facility with the ability to accept deposits of a regulated financial institution;

(D) the relocation of the home office or a branch office of a regulated financial institution;

(E) the merger or consolidation with, or the acquisition of the assets, or the assumption of the liabilities of a regulated financial institution requiring approval under section 18(c) of the Federal Deposit Insurance Act or under regulations issued under the authority of title IV of the National Housing Act; or

(F) the acquisition of shares in, or the assets of, a regulated financial institution requiring approval under section 3 of the Bank Holding Company Act of 1956 or section 408(e) of the National Housing Act.

(4) A financial institution whose business predominately consists of serving the needs of military personnel who are not located within a defined geographic area may define its "entire community" to include its entire deposit customer base without regard to geographic proximity.

Sec. 804. In connection with its examination of a financial institution, the appropriate Federal financial supervisory agency shall—

(1) assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of such institution; and

(2) take such record into account in its evaluation of an application for a deposit facility by such institution.

Sec. 805. Each appropriate Federal financial supervisory agency shall include in its annual report to the Congress a section outlining the actions it has taken to carry out its responsibilities under this title.

Sec. 806. Regulations to carry out the purposes of this title shall be published by each appropriate Federal financial supervisory agency, and shall take effect no later than 390 days after October 12, 1977.

Statement of the federal financial supervisory agencies regarding the Community Reinvestment Act

54 FR 13742 (April 5, 1989)

Introduction

In light of the significant developments that have occurred in the financial institutions industry since enactment of the Community Reinvestment Act of 1977 ("CRA"), the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and the Federal Home Loan Bank Board ("the Agencies") have revised the 1980 Community Reinvestment Act Information Statement. The revisions in this Joint Statement are intended to take advantage of the experience the Agencies, financial institutions, and community members have gained over the years in developing approaches to ensure that the requirements and purposes of the CRA are met. This revised Statement provides guidance regarding the types of policies and procedures that the Agencies believe financial institutions should have in place in order to fulfill their responsibilities under the CRA on an ongoing basis and the procedures the Agencies will use during the application process to review an institution's CRA compliance and performance.

Under the CRA, the Agencies are required, when considering certain applications involving a federally insured financial institution ("financial institution"), to take into account the institution's record of helping to meet the credit needs of its entire community, including low- and moderate-income neighborhoods. Given this responsibility, the Agencies want to assure that potential applicants, and those who may wish to comment on an applicant's CRA record, know what is expected of a financial institution under the CRA and of participants during the application process.

The Agencies believe the clarification provided in this Statement will help applicants and others who wish to comment on applications to provide promptly the information necessary to permit the Agencies to address CRA issues in a timely fashion in accordance with the schedules required under relevant federal statutes and regulations. The Agencies wish to emphasize their belief that the goals of the CRA are best accomplished when financial institutions make meeting their responsibilities under the statute a part of their routine management and operational structure. Thus, the Agencies expect applicants to have addressed their responsibilities under the CRA well before they submit an application.

Background

The CRA was enacted in 1977 against a backdrop of concern over unfair treatment of prospective borrowers by financial institutions and over unwarranted geographic differences in their lending patterns. In the CRA, Congress reaffirmed that every financial institution has a continuing and affirmative obligation consistent with its safe and sound operation to help meet the credit needs of its entire community, including low- and moderate-income neighborhoods.

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The CRA states that its purpose is to require each federal financial supervisory agency to use its authority when conducting examinations to encourage the financial institutions it supervises to help meet those needs. To this end, the Community Reinvestment Act provides:

In connection with its examination of a financial institution, the appropriate... agency shall—

- (1) assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of [the] institution; and
- (2) take such record into account in its evaluation of an application... by such institution. 12 U.S.C. § 2903.

Simply stated, the CRA and the implementing regulations place upon all financial institutions, whether wholesale or retail, urban or rural, an affirmative responsibility to treat the credit needs of low- and moderate-income members of their communities as they would any other market for services that the institution has decided to serve. As with any other targeted market, financial institutions are expected to ascertain credit needs and demonstrate their response to those needs.

The Agencies believe that the CRA intends financial institutions to help meet the credit needs of their communities in a positive, ongoing way that recognizes the institution's assessment of its relevant market and is consistent with the safe and sound operation of the institution. This responsibility under the CRA may be met in a variety of ways, including lending for business, agriculture, education, consumer, home purchase, and home improvement purposes, and to finance state and local governments. The CRA was not intended to limit an institution's discretion to develop the types of products and services that it believes are best suited to its expertise and business objectives and to the needs of its particular community, as long as the institution's program is consistent with the objectives of the CRA. Nor is it the purpose of this Statement to establish specific lending requirements or programs for financial institutions subject to the CRA.

This Statement provides guidance, in part, by describing the types of activities that the Agencies have found fulfill a financial institution's responsibilities under the CRA. Because the needs of communities vary, the Agencies recognize that the examples outlined in this Statement will not be appropriate for every institution or for every community.

Guidelines for developing an effective CRA process

Because the credit needs of individual communities differ, the Agencies will consider the process by which a financial institution defines the community it serves, determines its credit needs, including its low- and moderate-income areas, and takes steps to help meet those needs through appropriate and prudent lending. The Agencies believe that appropriate consideration should be given to an institution that makes ongoing efforts to ascertain the needs of its entire community, develops products and services that are responsive to those needs, and markets those products and services throughout the community. An active program of management involvement, policy oversight, and regular review is most likely to assure that the products and services the institution chooses to offer will meet community credit needs, be adjusted when those needs change, and be available to all segments of the community.

The experience of the Agencies indicates that an effective CRA process must include methods to ascertain community needs on an ongoing basis through outreach efforts to local governments, businesses, and community members and organizations. This ascertainment effort should include a system that both facilitates dialogue with those individuals and groups and enables them to communicate their concerns to an officer of the financial institution with

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CRA responsibilities. To be effective, the process must include methods to incorporate findings regarding community credit needs into the development of products and services that the institution decides to offer to help meet these needs.

The CRA plan should include marketing and advertising programs for lending products and services that are responsive to the needs of the community and that will inform and stimulate awareness of those products and services throughout the community, including low- and moderate-income areas. The plan should also include periodic analysis of the disposition of loan applications to ensure that potential borrowers are treated in a fair and non-discriminatory manner.

The duty to coordinate and monitor the CRA process should be assigned to a senior officer or a committee charged with the responsibility to report periodically to the board of directors about the institution's CRA efforts, performance and areas for improvement, where appropriate. An employee training program should be established. This program should contain information about those policies of the institution designed to help meet community credit needs, including the needs of low- and moderate-income areas and small businesses. Procedures should be implemented to assure that files are maintained, as required by agency regulations, for purposes of receiving public comments and for reviewing and responding to these comments.

Regardless of how an institution organizes itself to implement such a plan, seeing that the institution has taken the steps necessary to help meet its community's credit needs is the responsibility of the entire organization, beginning with its board of directors and continuing through its line management.

Once a financial institution has established an effective CRA process, it must assure that its CRA statement accurately reflects the types of lending and other services that it will offer to the community. This statement must be reviewed at least annually to ensure its accuracy. The services that the institution chooses to offer should be clearly articulated, reasonably related to community needs, and distributed in a fair and nondiscriminatory manner in keeping with an institution's general approach to its business. A financial institution need not offer every financial service in order to meet its CRA responsibilities; however, the Agencies expect that institutions will offer the types of credit listed in their CRA statement throughout their delineated communities.

Specific elements of an effective CRA process

Within the general framework discussed above, institutions have substantial leeway in developing specific policies and programs to meet their CRA responsibilities. The actual steps taken by an institution will of necessity depend upon a number of factors, including the size of the institution, its business strategy and objectives, and the size, nature and needs of the community involved. For example, the specific steps taken by a small rural institution to meet its CRA responsibilities may be quite different from those required of a major metropolitan institution.

Based upon the experience of the Agencies, institutions with the most effective programs for meeting their CRA responsibilities and for assuring that their services reach low- and moderate-income segments of the community will have taken many of the following steps:

- implemented policies, including the use of more flexible lending criteria, consistent with safe and sound practices, to provide the types of loans and services described in the institution's CRA statement on a more widespread basis;

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- increased efforts to make loans to help meet identified credit needs within the community, such as those for home mortgages, home improvement and small business. This may include participation in various government-insured lending programs, such as FHA-insured or VA-guaranteed mortgage loans and SBA loans, and participation in other types of lending programs, such as high-loan-to-value-ratio conventional mortgage loans with private mortgage insurance;
- implemented and advertised the availability of services of benefit to low- and moderate-income persons, such as cashing government checks or offering low-cost checking accounts;
- created and implemented advertising and marketing efforts through, for example, newspapers, radio, television and brochures designed to inform low- and moderate-income groups (in languages other than English, where appropriate) of available loan and deposit services;
- expanded officer call programs to include targeted groups, such as small business owners and real estate agents in low- and moderate-income neighborhoods, in order to inform them of available credit services;
- established a process involving all levels of management in efforts to contact governmental leaders, economic development practitioners, businesses and business associations, and community organizations to discuss the financial services that are needed by the community;
- developed systems to provide assistance to customers or potential customers regarding federal, state or local assistance programs to small businesses, or for housing or other similar community needs;
- adopted a written corporate policy concerning branch closings which contains provisions for appropriate notice, analysis of the impact of the closing on the local community, and efforts that may be made to minimize any adverse effects;
- participated in or provided assistance to community development programs or projects, such as Neighborhood Housing Services programs, small business programs encouraged by the Small Business Administration or Economic Development Administration, or Community Development Block Grant programs;
- established a community development corporation;
- funded a small business investment corporation or created a minority small business investment corporation;
- made lines of credit and other financing available, within prudent lending principles, to non-profit developers of low-income housing and small business developments, for low-income multi-family rehabilitation and new construction projects, and/or provided a secondary market for non-profit developer paper;
- underwritten or invested in state and municipal bonds; or
- in the case of members of the Federal Home Loan Bank System, participated actively in the FHLBB Community Investment Fund program.

Finally, to enhance CRA performance, some financial institutions have chosen to establish special or pilot lending programs earmarked for low- and moderate-income neighborhoods, consistent with safe and sound lending practices. While the Agencies support such activity, the scope of any such program is properly addressed by the financial institution itself, taking into account its own expertise and financial capabilities. This is particularly true

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of any targeted goals established for such a program, which may represent a statement of the institution's expectations of services to be provided based upon actual loan demand, market conditions, and other similar factors. The Agencies will continue to consider favorably financial-institution leadership in concerted efforts to improve low- and moderate-income areas in the community and participation by financial institutions in public and private partnerships to promote economic and community development efforts.

The examples described above illustrate specific steps that have been taken, in particular by larger financial organizations operating in urban communities, to help meet the credit needs of all segments of those communities. Smaller financial organizations operating in primarily rural communities may nonetheless find some of these examples helpful in designing CRA policies that would meet the needs of their communities.

Expanded CRA statement

Financial institutions are currently required by agency regulations to prepare a CRA statement describing the community served by the institution and listing the types of credit offered by the institution to the community and encouraged to describe their CRA efforts in this statement. This statement must be reviewed by the board of directors of the institution at least on an annual basis. As noted above, an effective CRA process should also include management review and oversight of the institution's policies and performance on a regular basis.

The Agencies believe that it would be especially useful for a financial institution, in connection with the preparation and periodic review of its CRA statement, to expand the CRA statement to include a description of the institution's CRA performance. The CRA regulations of the Agencies currently encourage financial institutions to incorporate this type of description in their CRA statements. This description includes the institution's efforts to ascertain the credit needs of its community and to communicate with members of the community regarding those needs, and the steps taken by the institution, including through special credit-related programs, to help meet the community's credit needs. The CRA statement also provides a readily available vehicle for financial institutions to describe the marketing and advertising programs used by the institution to inform the community of the institution's services, and any other steps, such as those outlined in this Statement, that have been taken by the institution to implement its CRA policies. The institution may also find it useful to include a summary of the results of its internal CRA review and a summary of the documentation collected by the institution regarding its CRA performance.

An expanded CRA statement along the lines suggested in existing agency regulations can be a particularly effective part of the institution's outreach efforts to the community. This type of statement would also focus, on an ongoing basis, the attention of both the institution's management and the public on the financial institution's efforts to meet its responsibilities under the CRA and on any areas identified by the institution for improvement.

The Agencies also believe that an expanded CRA statement would present a suitable framework outside the applications process for public comment regarding an institution's CRA record. Under existing rules, public comments received by an institution regarding its CRA performance must be maintained in a public file with the institution's CRA statement. These public comments provide the institution with an opportunity to identify areas of public concern regarding its CRA performance and to consider any steps that the institution may find appropriate to address these concerns. The Agencies may then review these comments and the steps taken by the institution to address the comments during the CRA examination of the institution rather than through the applications process.

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The Agencies strongly encourage financial institutions to expand their CRA statement to include a description of the institution's CRA performance in connection with the institution's review of its CRA record. The Federal Reserve Board and the FHLBB also strongly encourage holding companies, as part of the system-wide review and oversight by the holding company of the CRA performance of its subsidiary financial institutions, to ensure that their CRA statements are expanded in this way. The Agencies recognize that the CRA statement would vary in complexity and scope depending on the size, resources, and location of the institution.

Communication in advance of the applications process

Just as financial institutions are expected to communicate with their local communities on an ongoing basis regarding credit needs, community organizations and other members of the public are strongly encouraged to bring comments regarding an institution's CRA performance to the attention of the institution and the appropriate supervisory agency at the earliest possible time. Interested persons are encouraged not to wait to present their comments through a protest to an application.

Prompt submission of comments regarding an institution's CRA record provides the institution and examiners with a timely opportunity to evaluate the matter and permits the institution to correct any deficiencies—an opportunity that may not be as effectively utilized under the time constraints of the applications process. The CRA regulations of the Agencies establish a comment procedure at the financial institution for this purpose, and the Agencies strongly encourage use of this process. The Agencies expect that financial institutions will investigate promptly all complaints and place a high priority on correcting any deficiencies.

The Agencies will consider any comments submitted to the institution through this comment procedure, as well as any action or response that the institution deems appropriate, in the evaluation of the institution's CRA performance. In this regard, when considering public comments received during the applications process concerning the CRA record of a particular institution, the Agencies will take into account whether the institution has provided to the public an expanded CRA statement that, as discussed above, describes the efforts made by the institution to help meet the credit needs of its community. The Agencies may also consider whether the commenter has submitted comments to the institution in response to the institution's CRA statement outside of the applications process. However, comments will be carefully weighed regardless of their timing, as long as submitted within the periods specified in the rules of the appropriate reviewing Agency.

Role of CRA examinations

In acting upon applications covered by the CRA, the appropriate reviewing Agency will consider the CRA record of the relevant financial institutions as reflected in examination reports (from the relevant federal or state supervisory agencies), the information presented by any commenters, the response by the applicant, and the Agency's own analysis.

As indicated earlier, the CRA requires the Agencies to assess the CRA record of institutions under their supervision during the examination process and to take that record into account in evaluating certain applications. Therefore, the CRA record of the institution, as reflected in its examination reports, will be given great weight in the applications process. In some cases, however, the institution's CRA record as reflected in the examination report may need to be supplemented.

The CRA requires the Agencies to consider the institution's entire CRA record as an integral component of the analysis of the convenience and needs of the community that must be conducted when processing certain types of applica-

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tions under federal statutes governing financial institutions. The documentation of that record must be sufficient to support the conclusions of the reviewing Agency. A favorable CRA examination from a supervisory agency is an important, and often controlling, factor in the consideration of an institution's CRA record. It is not conclusive evidence, however, in the face of significant and supported allegations from a commenter. This is especially the case when the examination is not recent or the particular issue raised in the application proceeding was not addressed in the examination. In these instances, applicants should submit sufficient data upon which the reviewing Agency may base a decision regarding the institution's record of serving the convenience and needs of its community, and should also respond to specific substantive issues raised by the commenters or the reviewing Agency.

Documentation of CRA performance

The Agencies expect financial institutions to maintain reasonable documentation of the activities, such as those outlined in this Statement, that have been undertaken by the institution to implement the institution's CRA policies. The appropriate scope and detail of this documentation must be determined by each financial institution and should accurately reflect the institution's CRA policies and performance.

If a substantive CRA issue is raised in the applications process that has not been addressed in the institution's examination reports, the applicant should be prepared to provide the reviewing Agency with information necessary to evaluate the issue. This information may include such items as a description of the CRA policies that have been established, any procedures for ongoing review of these policies, and the types of services offered by the institution to help meet community credit needs. In addition, a description of the resources devoted to such services and the extent to which they are distributed throughout the community has proven to be helpful to the consideration of the issues.

An applicant that has established the type of CRA policies outlined in the applicable CRA regulations and this Statement, and that is able to document that it is performing in accordance with these policies, can expect a favorable finding on the CRA component of the convenience and needs factor under the applicable federal statute governing the transaction. The applicant can also expect timely action on the application within the reviewing Agency's processing guidelines (assuming that financial and other factors are favorable).

Where the examination or application record fails to show that the institution has instituted these types of policies, however, it will be necessary for the reviewing Agency to develop the information required to evaluate the institution's record of helping to meet community credit needs. A poorly documented record may prolong the application process in order for the reviewing Agency to collect the information needed for its decision.

Where the record shows disparities in lending that do not appear to be attributable to safety and soundness considerations or to factors beyond an institution's control, the reviewing Agency will inquire into the institution's efforts to ascertain the community's needs, to communicate with all areas of its community, and to advertise and market its services throughout its delineated community. The reviewing Agency will also consider all available information to determine whether any policies and practices of the institution may discourage credit applications from, or unlawfully discriminate against, individuals or segments of the community. Where the institution's record under the CRA is found not to be consistent with its obligations under the CRA, the reviewing Agency, after weighing all other factors, may deny the application.

Role of commitments for future action

The Agencies believe that applicants should address their CRA responsibilities and have the necessary policies in place and working well before they file an application. In fulfilling their responsibilities under the CRA, however,

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financial institutions may decide to initiate programs for future action as a means of assuring a strong CRA record or resolving CRA issues. Commitments for future action are not viewed as part of the CRA record of performance of the financial institution, but may be given weight as an indicator of potential for improvement in the institution's performance. Commitments for such improvement can be used to address specific problems in an otherwise satisfactory record. Commitments may also be appropriate in addressing CRA performance in the context of the acquisition of a troubled financial institution. In some cases, these commitments are important to the conclusion that convenience and needs considerations are consistent with approval of the application. In general, commitments made in the applications process cannot be used to overcome a seriously deficient record of CRA performance. The Agencies may, where appropriate, require financial institutions to take specific actions designed to improve CRA performance by granting conditional approval of an application. In such cases, approval granted by an agency generally becomes effective or final only after confirming that the financial institution has satisfied the appropriate conditions.

In line with the long-standing view of the Agencies that the CRA was not intended to establish a regulatory allocation of credit, the Agencies have neither requested commitments from applicants to make particular types or amounts of loans nor specified the terms or conditions for such loans. The Agencies will review whether the policies that an applicant commits to adopt are reasonably directed at the type of deficiencies, if any, found in the applicant's record, and whether those policies are consistent with the safe and sound operation of the financial institution.

Role of meetings

While not required under the CRA or the regulations of the Agencies, the Agencies have in many instances found private meetings between an applicant and a protestant to be helpful. Such meetings may clarify the matters at issue, assist the Agencies in determining whether additional information is required, help to plan the direction of the necessary analysis, and, in some instances, resolve differences based on misunderstandings between the parties. These meetings often provide the protestant and applicant an opportunity to submit information to clarify or to support points made in their written submissions.

Although the Agencies believe that ongoing discussion between a financial institution and members of the institution's community is the best way to determine a community's needs, any decision to negotiate or to reach a formal agreement, either during or outside of the applications process, is at the discretion of the parties. The Agencies may, in appropriate cases, facilitate private meetings and may attend them. In doing so, however, the Agencies will maintain a neutral role, and attendance and participation by the parties is voluntary. The purpose of such private meetings is not to provide a forum for the negotiation of a formal agreement among the parties, and the Agencies do not require or enforce such agreements. Moreover, the Agencies do not believe that it is appropriate to suspend processing an application to allow the parties to conclude negotiations or to reach a settlement unless requested by the applicant. The Agencies will act on an application once it has obtained a record sufficient to support a determination in the matter.

Each Agency, may, under certain circumstances, order a public meeting, hearing or oral argument. For example, an Agency may find that a public meeting or hearing on an application would be helpful in order to develop a complete record for decision. A public meeting or hearing may be ordered if the written submissions and materials presented at the private meetings do not develop an application record that the reviewing Agency believes is sufficient for decision. In such situations, the decision to call a public meeting or hearing would not be based on the inability of the parties to reconcile their

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differences in private meetings, but rather on the need for additional information that might be collected through such a process. Each Agency follows its own regulations and procedures with respect to ordering public meetings, hearings or oral arguments.

Extension of comment period

Parties desiring to comment on applications, including those wishing to comment on the CRA record of a particular financial institution, should do so promptly and within the time periods specified in the rules of the appropriate reviewing Agency and the relevant public notices. The Agencies believe that this is important in order for the Agencies to carry out their responsibility to process applications within applicable time limits consistent with the public interest. Timely submission of comments also provides an opportunity for response by applicants and ensures time for any necessary analysis by the reviewing Agency.

In accordance with the rules of the Agencies, extensions of time for public comment will be provided only upon a showing of good cause or as otherwise permitted by agency regulations. For example, a brief extension would be appropriate where the application has not been promptly made available for inspection by the parties or where there has been inadequate public notice of the application. The Agencies do not believe that extensions of time are appropriate solely when the commenter desires more time to conduct discussions with an applicant. An extension of the comment period will only be for a brief period and normally will not be appropriate if it will extend the application-processing period beyond the time limits established in the relevant statute or Agency rules. A commenter that fails to submit comments on an application until after the close of the comment period (or any extension) may be precluded from participation.

Conclusion

The Agencies consider it important that financial institutions act effectively to meet the requirements of the CRA in a positive and ongoing manner. The Agencies believe that this can be done in a way that will not only benefit local communities, but also will be consistent with the safe and sound operation of financial institutions. Doing so, however, requires managerial effort, oversight and review. An institution's processes for meeting the credit needs of its community must reflect an understanding of those needs and take into account changes that may occur in the community's credit needs. By applying sound management techniques to the challenges presented by the CRA, financial institutions can be agents of positive change for the cities, towns and rural areas of this country—thereby benefiting themselves as well as the communities that they serve.

FIRREA Amendment to the Community Reinvestment Act of 1977

Public Law 101-73 (Section 1212)

Sec. 1212. Amendment to the Community Reinvestment Act of 1977

(a) Conforming Amendment to Definition of Regulated Financial Institution.—Section 803(2) of the Community Reinvestment Act of 1977 (12 U.S.C. 2902(2)) is amended by striking out “insured bank as defined in section 3 of the Federal Deposit Insurance Act or an insured institution as defined in section 401 of the National Housing Act” and inserting in lieu thereof “insured depository institution (as defined in section 3 of the Federal Deposit Insurance Act).”

(b) Examination Improvement.—The Community Reinvestment Act of 1977 (12 U.S.C. 2901 et seq.) is amended by adding at the end the following new section:

Sec. 807. Written evaluations.

“(a) Required.—

“(1) In general.—Upon the conclusion of each examination of an insured depository institution under section 804, the appropriate Federal depository institutions regulatory agency shall prepare a written evaluation of the institution’s record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods.

“(2) Public and confidential sections.—Each written evaluation required under paragraph (1) shall have a public section and a confidential section.

“(b) Public section of report.—

“(1) Findings and conclusions.—The public section of the written evaluation shall—

“(A) state the appropriate Federal depository institutions regulatory agency’s conclusions for each assessment factor identified in the regulations prescribed by the Federal depository institutions regulatory agencies to implement this Act;

“(B) discuss the facts supporting such conclusions; and

“(C) contain the institution’s rating and a statement describing the basis for the rating.

“(2) Assigned rating.—The institution’s rating referred to in paragraph (1)(C) shall be one of the following:

“(A) ‘Outstanding record of meeting community credit needs.’

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"(B) 'Satisfactory record of meeting community credit needs.'

"(C) 'Needs to improve record of meeting community credit needs.'

"(D) 'Substantial noncompliance in meeting community credit needs.'

Such ratings shall be disclosed to the public on and after July 1, 1990.

"(c) Confidential section of report.—

"(1) Privacy of named individuals.—The confidential section of the written evaluation shall contain all references that identify any customer of the institution, any employee or officer of the institution, or any person or organization that has provided information in confidence to a Federal or State depository institutions regulatory agency.

"(2) Topics not suitable for disclosure.—The confidential section shall also contain any statements obtained or made by the appropriate Federal depository institutions regulatory agency in the course of an examination which, in the judgment of the agency, are too sensitive or speculative in nature to disclose to the institution or the public.

"(3) Disclosure to depository institution.—The confidential section may be disclosed, in whole or part, to the institution, if the appropriate Federal depository institutions regulatory agency determines that such disclosure will promote the objectives of this Act. However, disclosure under this paragraph shall not identify a person or organization that has provided information in confidence to a Federal or State depository institutions regulatory agency."

CHAPTER 6

PROJECTS FINANCED BY THE 503 PROGRAM

40. ELIGIBLE PROJECTS (\$108.503(b))

The purpose of the 503 loan program is to provide SBCs with a portion of the long-term fixed asset financing necessary for economic development projects. The CDC must demonstrate to the satisfaction of SBA, that the project will have a significant impact in its community. To be eligible, a project must meet at least one of the following economic development objectives:

- a. Jobs. One "job opportunity" must be provided for each \$35,000 of debenture assistance. The estimate of job opportunities must be based on objective data provided by the SBC at the time the loan application is submitted. Although the job opportunities must be a direct result of the project and they must be employees (including leased employees) of the applicant small concern, they do not all have to be at the 503 project facility. However, 75% of the jobs must be in the community where the project is located. "Job opportunity," is defined as follows:
 - (1) Full time or equivalent (8 productive hours per day/40 productive hours per week) permanent employment created as a direct result of the project within two years of permanent financing under this part; or
 - (2) A reasonable showing of full-time (or equivalent) permanent employment retained that would have been lost to the community but for the project. Credit will not be given for retention of existing jobs unless it can be demonstrated to the satisfaction of SBA that such jobs would have been lost but for the project. "Reasonable showing" could include, but is not limited to, those instances where:
 - (a) The SBC is forced to vacate its present facility due to loss of the building lease,
 - (b) The small business concern's plant needs to be retooled for the business to remain competitive and remain in existence, or

- (c) The business and its assets are for sale and failure to sell and provide financing would result in the closure of the business or potential buyers would move the business from the community.
- b. Community Projects. A community project is one which will stimulate other identifiable business development in the community, or which will bring new income into the area or assist a community in diversifying and stabilizing its economy. An application for a loan meeting this requirement must be accompanied by written documentation demonstrating community impact. A reasonable analysis prepared by a CDC justifying the project as it relates to one or more of the criteria should be sufficient for SBA to make an eligibility determination. If additional justification is necessary, a letter from an appropriate city or town official that specifically addresses compliance with one of the criteria as required in Section 108.503(b)(2) generally will be acceptable. It is not intended that eligibility pursuant to Section 108.503(b)(2) be so restrictive as to render the objective useless.
- c. Public Policy. A project that meets one of the following goals:
 - (1) BUSINESS DISTRICT REVITALIZATION: a project located within a business area of a community with a recognized revitalization or redevelopment plan that encourages business development as a means of enhancing the economic productivity of such area.
 - (2) EXPANSION OF EXPORTS: a project in which the eligible small business concern will retain or expand its ability to produce or sell its goods or services for purchase by buyers outside of the United States. To qualify, at least 10% of the SBC's revenue must be from export sales at the time of the project.
 - (3) EXPANSION OF MINORITY BUSINESS DEVELOPMENT: a small business concern which is at least 51% unconditionally owned by an individual(s) who is a member of a designated group presumed by SBA to be socially disadvantaged (See §124.105(b)).

EXHIBIT D-3

SOP 50 22 3

- (4) RURAL DEVELOPMENT: a project located in any political subdivision or unincorporated area in a non-metropolitan county (as defined by the Economic Development Division, Economic Research Service, U.S. Department of Agriculture) or the equivalent thereof; or any political subdivision or unincorporated area in a metropolitan county or the equivalent thereof, which SBA (District Director or his designee) may determine to be rural if such political subdivision or area has a resident population of less than 20,000.
 - (5) ENHANCED ECONOMIC COMPETITION: a project in which the SBC is engaged in advancement of technology, plant retooling (expansion or modernization of manufacturing facilities), conversion to robotics, or competition with imports.
 - (6) CHANGES NECESSITATED BY FEDERAL BUDGET CUTBACKS: a project in which the SBC is locating or expanding in an area impacted by Federal budget cutbacks, such as facility closings or cutbacks in defense related industries.
 - (7) BUSINESS RESTRUCTURING ARISING FROM FEDERALLY MANDATED STANDARDS OR POLICIES affecting the environment or the safety and health of employees, such as requirements for pollution control equipment, removal/encapsulation of asbestos, etc.
- d. Other Eligibility Considerations. Care must be taken by the SBA processing L/O to ensure that projects involving recreational facilities, restaurants, medical doctors, lawyers and dentists meet either the community project or the public policy objective criteria in addition to the job requirement as reflected in Paragraph 40.a.

Because of the emphasis on Business District Revitalization and Rural Development, the requirement to meet either the community project or the public policy objective criteria AND the job requirement does not apply to doctors and dentists in these two areas.

EXHIBIT E-1

San Francisco Regional Office (Region IX)
Fiscal Year 1992 Lending Results (YE 9/30/92)

Rank by # of loans	Lender Name	Count	Bank/ Nonbank/ CDC	Lender Status: Enhanced (E)/ Regular (R)	# of Approved Loans	Total Loan Amount	Total SBA Share	SBA Share/ Loan Amt	Avg. Loan Amount	Avg. SBA Share Amt
12	Bank of America	1	B	0	71	11,323,100	9,634,400	85.1%	159,480	135,696
18	Bay Bank of Commerce	2	B	0	46	10,176,855	7,977,519	78.4%	221,236	173,424
7	Valley Bank of Nevada	3	B	0	103	26,090,879	21,723,704	83.3%	253,310	210,910
4	Sacramento Commercial Bank	4	B	0	159	43,168,882	35,545,332	82.3%	271,502	223,556
6	Truckee River Bank	5	B	0	142	43,868,330	35,198,566	80.2%	308,932	247,863
43	Cupertino Nat'l Bank	6	B	0	25	8,136,450	6,316,770	77.6%	325,458	252,671
53	Natl' Bank of the Redwoods	7	B	0	21	6,901,000	5,386,325	78.1%	328,619	258,492
23	Pacific Western Bank	8	B	0	40	13,522,328	10,574,902	78.2%	338,058	264,373
11	Coast Commercial Bank	9	B	0	72	24,435,875	17,960,000	73.5%	339,387	249,444
5	Mechanics National Bank	10	B	0	144	51,072,670	40,451,824	79.2%	354,671	280,915
52	Commercial Bank of SF	11	B	0	22	7,937,185	6,242,345	78.6%	362,489	283,743
3	Bank of Commerce	12	B	0	161	58,360,670	47,111,281	80.7%	362,489	283,617
41	Sonoma National Bank	13	B	0	26	9,446,200	7,358,978	77.9%	363,315	283,038
8	Liberty National Bank	14	B	0	93	34,421,154	28,320,601	82.3%	370,120	304,523
45	California Business Bank	15	B	0	24	9,066,100	7,539,850	83.2%	377,754	314,160
29	Bank of Commerce (Auburn)	16	B	0	35	13,307,808	10,815,832	81.3%	380,217	309,024
10	American Pacific State Bank	17	B	0	77	30,492,500	23,482,122	77.0%	396,006	304,963
9	Tracy Federal Bank	18	B	0	92	52,914,660	37,049,280	70.0%	575,159	402,710
TOTAL BANK ENHANCED LENDERS					1,353	454,642,447	358,687,631	78.9%	336,025	265,105
		18			41.7%	40.0%	39.5%			
72	Cal-West Nat'l Bank	1	B	1	15	1,537,000	1,342,468	87.3%	102,467	89,498
71	Bank of Fresno	2	B	1	15	1,967,300	1,513,270	76.9%	131,153	100,885
66	First Hawaiian Bank	3	B	1	16	2,155,600	1,875,110	87.0%	134,725	117,194
19	Bank of Hawaii	4	B	1	43	6,625,240	5,567,822	84.0%	154,075	129,484
68	Pacific Commerce Bank	5	B	1	16	2,473,687	2,043,217	82.6%	154,605	127,701
70	Valley Nat'l Bank, Arizona	6	B	1	16	2,853,000	2,317,305	81.2%	178,313	144,632
74	First Bank of San Luis Obispo	7	B	1	15	2,690,000	2,164,250	80.5%	179,333	144,283
62	Sun Country Bank	8	B	1	17	3,222,000	2,717,450	84.3%	189,529	159,850

EXHIBIT E-2

San Francisco Regional Office (Region IX)
Fiscal Year 1992 Lending Results (YE 9/30/92)

Rank by # of loans	Lender Name	Count	Bank/ Nonbank/ CDC	Lender Status: Enhanced (Y) Regular (I)	# of Approved Loans	Total Loan Amount	Total SBA Share	SBA Share/ Loan Amt	Avg. Loan Amount	Avg. SBA Share Amt
38	Goleta National Bank	9	B	1	28	6,459,008	5,195,050	80.4%	230,679	185,538
42	Concord Comm'l Bank	10	B	1	25	6,043,280	5,025,237	83.2%	241,730	201,009
65	Commerce Bank, San Luis Obispo	11	B	1	16	3,870,000	3,220,435	83.2%	241,875	201,277
64	Capital Bank of Carlsbad	12	B	1	16	4,062,292	3,287,153	80.9%	253,893	205,447
78	San Jose Nat'l Bank	13	B	1	15	3,819,081	2,673,811	70.0%	254,605	178,254
32	Pacific Valley Nat'l Bank	14	B	1	33	8,490,400	7,188,154	84.7%	257,285	217,823
61	Monterey County Bank	15	B	1	18	4,878,300	3,951,700	84.5%	259,906	219,539
57	Union Bank	16	B	1	20	5,211,757	4,434,855	85.1%	280,588	221,743
47	Golden Pacific Bank	17	B	1	23	6,450,000	5,089,620	78.9%	280,435	221,288
67	First Nat'l Bank of Ventura	18	B	1	16	4,507,800	3,815,455	84.6%	281,738	238,486
75	Founders Bank of Arizona	19	B	1	15	4,293,500	3,392,640	79.0%	286,233	226,176
34	Industrial Bank	20	B	1	32	9,258,570	7,725,622	83.4%	289,330	241,426
63	Zions 1st Nat'l Bank	21	B	1	17	4,980,500	4,015,288	80.9%	291,794	238,194
60	Antelope Valley Bank	22	B	1	18	5,508,054	4,377,871	79.5%	308,003	243,204
46	Coast Bank	23	B	1	23	7,211,376	5,944,187	82.4%	313,538	258,443
17	Bank of Oakland	24	B	1	46	14,759,600	12,435,637	84.3%	320,861	270,340
25	East County Bank	25	B	1	39	12,518,100	10,414,493	83.2%	320,977	267,038
56	Fairbrook National Bank	28	B	1	20	6,505,973	5,536,097	85.1%	325,299	278,805
15	Queen City Bank	27	B	1	56	19,159,121	15,150,161	79.1%	342,127	278,539
28	North County Bank	28	B	1	37	12,708,916	10,429,935	82.1%	343,484	281,890
30	First International Bank	29	B	1	35	12,351,450	10,201,412	82.6%	352,899	291,469
55	Western United Nat'l Bank	30	B	1	21	7,580,850	6,261,398	82.6%	380,983	298,162
20	Hannl Bank	31	B	1	43	15,921,600	13,272,276	83.4%	370,270	308,658
76	Sacramento First Nat'l Bank	32	B	1	15	5,646,100	4,578,740	81.1%	376,407	305,249
49	California Center Bank	33	B	1	22	8,617,279	6,983,285	81.1%	391,695	317,422
21	California State Bank	34	B	1	42	16,880,800	12,243,161	72.5%	401,924	291,504
26	General Bank	35	B	1	39	16,829,090	14,026,170	83.3%	431,515	359,645
40	Garfield Bank	36	B	1	26	11,349,875	8,787,560	77.2%	436,534	337,214
35	Regency Bank	37	B	1	30	13,336,000	10,275,772	77.1%	444,533	342,526
73	Capital Bank of California	38	B	1	15	6,937,921	5,646,094	81.4%	462,528	376,406
77	San Diego Trust & Savings Bank	39	B	1	15	7,056,700	5,447,495	77.2%	470,447	363,166

EXHIBIT E-3

San Francisco Regional Office (Region IX)
Fiscal Year 1992 Lending Results (YE 9/30/92)

Rank by # of loans	Lender Name	Count	Bank/ Nonbank/ COC	Lender Status: Enhanced (Y) Regular (I)	# of Approved Loans	Total Loan Amount	Total SBA Share	SBA Share/ Loan Amt	Avg. Loan Amount	Avg. SBA Share Amt
14	Mid City Bank	40	B	1	68	32,227,247	25,864,221	80.3%	473,930	380,356
39	Natl Bank of California	41	B	1	27	13,076,300	10,594,305	81.0%	484,307	392,382
33	Eldorado Bank	42	B	1	32	15,589,904	12,785,986	82.1%	487,185	399,875
31	Bank of San Diego	43	B	1	34	16,986,633	13,618,829	80.2%	499,807	400,554
37	Frontier Bank	44	B	1	28	14,029,200	11,586,849	82.7%	501,043	414,173
44	Bank of Yorba Linda	45	B	1	24	12,315,075	9,712,654	78.9%	513,128	404,684
54	Orange Nat'l Bank	46	B	1	21	11,126,044	9,246,291	83.1%	529,812	440,300
58	Western Community Bank	47	B	1	20	10,943,330	8,053,244	73.6%	547,167	402,862
TOTAL BANK REGULAR LENDERS		47			1,223	422,800,631	342,029,845	80.9%	345,708	279,865
		68.1%			37.7%	37.2%	37.7%			
13	Heller First Capital	1	N	0	70	26,045,130	20,779,673	79.8%	372,073	298,852
2	Government Funding Calibidco	2	N	0	257	98,934,998	80,182,906	81.0%	384,961	311,998
1	Money Store Investment Corp.	3	N	0	290	121,288,497	96,167,610	79.3%	418,236	331,612
TOTAL NONBANK ENHANCED LENDERS		3			617	246,268,625	197,130,189	80.0%	399,139	319,498
		4.3%			19.0%	21.7%	21.7%			
16	ITT Small Bus. Financial Corp.	1	N	1	48	12,207,000	9,626,240	78.9%	254,313	200,547
TOTAL NONBANK REGULAR LENDERS		1			1.5%	1.1%	1.1%			
		1.4%								
TOTAL RESULTS ANALYZED		69			3,241	1,135,918,703	907,473,905	79.9%	350,484	279,998
		100.0%			100.0%	100.0%	100.0%			
Percentage of total Included in analysis					73.86%	76.73%	74.93%			
TOTAL					4,401	1,480,485,000	1,211,106,000			

EXHIBIT E-4

San Francisco Regional Office (Region IX)
Fiscal Year 1992 Lending Results (YE 9/30/92)

Rank by # of loans	Lender Name	Count	Bank/ Nonbank/ CDC	Lender Status: Enhanced (Y) Regular (I)	# of Approved Loans	Total Loan Amount	Total SBA Share	SBA Share/ Loan Amt	Avg. Loan Amount	Avg. SBA Share Amt
Total CDC results										
22	San Diego County CDC	1	C	R	42	17,846,000	17,846,000	100.0%	425	425
24	Direct - SBA	2	C	R	39	3,485,500	3,485,500	100.0%	89	89
27	Nevada State CDC	3	C	R	37	10,081,000	10,081,000	100.0%	272	272
36	Bay Area Business CDC	4	C	R	28	14,905,000	14,777,500	99.1%	532	528
48	New Ventures CDC	5	C	R	23	7,388,200	7,388,200	100.0%	321	321
50	California Statewide CDC	6	C	R	22	11,219,000	11,219,000	100.0%	510	510
59	Bay Area Employment CDC	7	C	R	19	8,598,000	8,598,000	100.0%	453	453
89	Tucson CDC	8	C	R	16	2,535,000	2,535,000	100.0%	158	158
51	EDF of Sacramento	9	C	R	22	7,854,000	7,854,000	100.0%	357	357
CDC totals										
					248	83,911,700	83,784,200			
Totals for top 78 lenders, incl CDCs										
					3,490	1,219,830,404	981,258,106			
Percentage of total included in analysis										
					79.30%	82.39%	81.85%			
TOTAL FOR ALL LENDERS										
					4401	1,480,485,000	1,211,106,000			
					100%	100%	100%			

**Bank of America**

EXHIBIT F-1

Donald A. Mullane
Executive Vice President

Corporate Community Development 3246

February 3, 1993

The Honorable Joseph P. Kennedy, Jr.
U.S. Congress
1210 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Kennedy:

Bank of America is very encouraged by President Clinton's call for community-based economic development. We believe one of the key messages of the 1992 elections was the American public's desire for new ways to strengthen the civic infrastructure of our communities. That infrastructure includes jobs, affordable housing, volunteer groups, and community services and is central to a strong and prosperous democracy.

We are convinced that the level of community reinvestment in the U.S. can increase dramatically within the current network of financial institutions, nonprofits, and community groups. These institutions complement each other and, working together, can meet the needs of their communities. Congress needs to provide additional incentives for existing capital to be used more effectively. Creating a new type of financial institution would divert scarce funds and expertise into administrative functions.

Bank of America has some specific ideas for harnessing more of the power of existing institutions for community-based economic growth. There are ample opportunities to create incentives for small business lending, such as tax credits, Small Business Administration profit-sharing, and benevolent (below-market) equity and deposits. Congress and the Administration need to explore these opportunities and use federal funds to provide tax incentives for community development lending (broadly defined) rather than to make equity investments in community development banks.

Before describing Bank of America's ideas in detail, I would like to share some of our experience in community development lending.

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Bank of America currently has a 10-year community reinvestment goal of \$12 billion. The vast majority of the bank's community reinvestment programs are operated through our branch system in 10 western states, with California being the dominant market. These programs include:

Home Loans: BofA provides home loans in lower-income communities and to lower-income individuals through the Neighborhood Advantage program, employing flexible underwriting and qualifying criteria. Neighborhood Advantage loans, for example, waive the requirement for cash reserves at closing and allow higher debt ratios than standard home loans.

In 1992, Bank of America provided more than \$800 million in lower-income home loans in California alone, including home purchase loans, home improvement loans and refinancings.

We have developed a variety of affirmative actions to ensure equal access to home loans among all racial and ethnic groups. These actions include a three-tier review process for minority loan applicants that are initially declined and allocation of funds to finance loan applications with marginal qualifying criteria in targeted areas (Oakland, Los Angeles, and Long Beach).

Current Goal: \$750 million annually.

Conventional Small Business Loans: We provide conventional small business loans of \$50,000 and under, which target a very critical market with a high percentage of minority- and women-owned businesses. Through the first three quarters of 1992, these loans totaled nearly \$72 million.

Current Goal: \$200 million annually.

Consumer Loans: The Bank of America Special Income Credit (BASIC) is a consumer loan product (including home improvement and mobile home purchase loans) with special underwriting criteria allowing lower-income customers to qualify. Through the first three quarters of 1992, these loans totaled \$6.7 million.

Current Goal: \$12 million annually.

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Philanthropy: Beginning in 1991, BankAmerica Foundation began targeting a portion of its contributions toward community-based economic development initiatives, including organizations such as the Coalition for Women's Economic Development and its sister organization, Women's Initiative for Self-Employment. These contributions include direct operating support, and support for training and capacity-building within nonprofit organizations.

Current Goal: 10 percent of the Foundation's budget annually (with a minimum of \$1 million).

Equity Investments: Bank of America has made several major equity investments in the nonprofit housing sector, including investments of more than \$80 million in low-income housing tax credits through the Local Initiatives Support Corporation. In January 1993, Bank of America made a direct investment of \$1 million in Founders National Bank, an African-American owned institution serving the South Central Los Angeles community.

Bank of America Community Development Bank

Bank of America operates in a very diverse and dynamic market with a wide variety of credit needs. In order to better focus on these needs, and respond in more creative ways, Bank of America formed a community development subsidiary to focus exclusively on low-income housing financing, government-assisted small business lending, and economic development.

Bank of America State Bank opened in April 1990. It now employs over 60 people in offices in seven western states, and effective February 1, 1993 changed its name to Bank of America Community Development Bank to reflect its very strong community focus more accurately.

Over the past three years, Bank of America Community Development Bank has matured into a leading provider of community development loans in its market. Bank of America CDB in 1992 provided \$101 million in permanent and construction financing for low- and very low-income housing developments -- 52 percent to very low-income projects (50 percent or less of median income), and 48 percent to low-income (80 percent or less of median income). Loan sizes in the housing portfolio ranged from \$300,000 to \$17.7 million and included both urban and rural markets. Government-assisted small business loans totaled \$30 million, ranging in loan size from \$5,000 to \$2.7 million, with 46 percent at \$100,000 or below and 39 percent to minority- or women-owned businesses.

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Bank of America CDB transactions typically are labor-intensive and leverage public-sector resources and/or guarantees to provide financing that otherwise might not be available. Informed of Bank of America CDB's activities and accomplishments in October 1992, then-Gov. Clinton complimented the bank's "innovative and effective community development efforts."

Bank of America CDB, like other community development banks in the U.S. (South Shore Bank, the Center for Community Self-Help, Elk Horn Bank & Trust and Community Capital Bank), has been able to develop creative, and in some cases unprecedented, approaches to community lending.

- o Less than a week after the Los Angeles riots, in the spring of 1992, Bank of America introduced a \$25 million Small Business Investment Program offering collateral-free loans of up to \$100,000 to small businesses that were damaged during the civil unrest and planned to reopen in the same area. We have since made nearly 500 loan commitments totaling \$22.5 million (average loan commitment: \$45,000). We characterize these loans as "patient money." They require no payments on principal or interest for the first three years; thereafter the business owners have the option of converting the debt into an equity share in their business to be held by Bank of America, or converting to a conventional small business loan at below-market rates. The technical expertise of Bank of America CDB's staff was instrumental in developing this program so quickly, and we are exploring ways in which it can be replicated in other areas.
- o Bank of America CDB developed, and is managing for BankAmerica Corporation, the \$3 million BankAmerica Community Housing Fund, which the nonprofit Center for Community Change estimates will lead to the construction, rehabilitation and preservation of up to \$30 million in low-income housing in the western U.S. The Community Housing Fund will provide scarce pre-development loans to nonprofit housing developers to finance the preparatory work necessary to make a project bankable.
- o Bank of America CDB offers benevolent deposit services in which public agencies and philanthropic and religious organizations can use deposits to buy down interest rates for housing and small business loans in targeted areas.

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Our experience has convinced us that the most efficient way to increase investment in disadvantaged communities is through partnerships that combine the particular talents and resources of the private and public sectors, nonprofit and philanthropic sources, and community-based organizations. Virtually every transaction originated at Bank of America Community Development Bank involves a partnership. The public sector and nonprofit organizations provide a variety of activities that serve as catalysts to bring private capital into the community, including loan guarantees, benevolent deposits, technical skills, and information about community credit needs. These collaborative efforts bring together all the stakeholders in the community. Government can and should act to encourage and support such partnerships.

We would like to make several suggestions how the federal government can provide new incentives to expand the market for community development capital. We believe the thrust of Congress ought to be in two major directions:

1. To create regulatory and financial incentives for financial institutions to increase community development lending, and
2. To leverage existing sources of capital to provide new equity for economic development.

The existing infrastructure for community development lending includes banks, thrifts and a growing variety of nontraditional institutions. These nontraditional institutions fill a variety of gaps that conventional lenders find difficult to meet and are emerging in a wide range of types and sizes. Examples include community loan funds, microenterprise funds, public-sector loan funds, national nonprofit intermediaries such as the Local Initiatives Support Corporation, and philanthropic organizations.

The primary needs among these nontraditional institutions are for more capital, staff, and leadership training to expand capacity.

One of the advantages of these nontraditional institutions is that, unlike banks and thrifts, their activities are not tightly proscribed by laws and regulations. It would be counterproductive for Congress to create a new type of institution with specified functions and authorities.

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EXHIBIT F-6

Some of the ways that Congress could foster community-based economic growth are as follows.

Consider the use of tax credits or exemptions on income generated by all forms of community development lending, such as affordable housing construction and small business loans. We believe this has the potential to encourage new and more creative forms of community development lending by conventional financial institutions.

Streamline and refocus the Small Business Administration to increase allocation of capital to minority- and women-owned enterprises. Today, the SBA guarantees loans that probably would have been made under conventional lending practices, and enables lenders to earn returns that are excessive relative to the risk involved. Unlike CRA, the SBA program does not require lenders to assess the credit needs of small businesses in their communities, nor are the criteria for becoming an SBA lender particularly stringent.

Capture part of the gain accrued by SBA lenders who sell their loans in the secondary market to create a new equity fund for small businesses. Today, some SBA lenders are earning returns far in excess of the risk they incur because the federal government is not receiving compensation for the guarantee it is providing. The government could obtain a share of that value by garnering a specified percentage of the gain on sale, which currently runs in the range of 15 percent to 20 percent. If SBA lenders were required to pay half of their gain on sale into an equity fund for small business, a large pool of capital would be available to invest directly in nonprofit economic development corporations or to fund tax credits for small business loans in targeted areas.

Encourage the use of benevolent deposits. Public sector agencies can free up more capital for community development lending by making deposits at below-market rates in conventional institutions, which would in turn provide discounted loans to targeted enterprises.

There are many more constructive ideas being developed by banks, nonprofit groups, and public agencies to support community-based economic growth. It is our hope that Congress give a full hearing to these ideas, from a wide range of sources. Any legislation needs to foster an environment in which private-sector initiatives can flourish in partnership with the public sector and community-based organizations. We look forward to participating in the dialogue as it moves forward.

Sincerely,

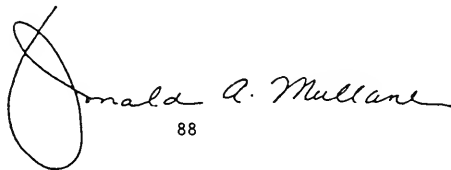
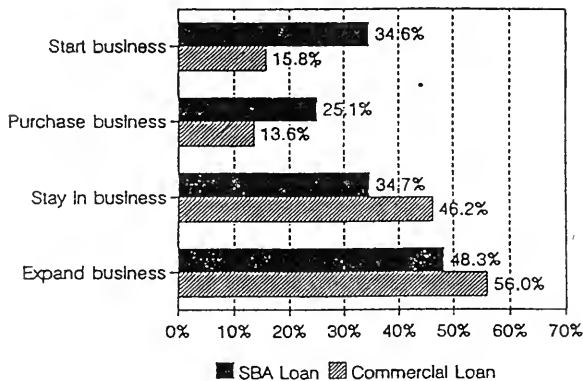
A handwritten signature in dark ink, appearing to read "Donald A. Mullane". The signature is fluid and cursive, with a large loop at the beginning.

EXHIBIT G-1

2. How do firms use 7(a) loans?

Exhibit I-4

How SBA Loan Recipients used
SBA and Commercial Loans

SBA loans were used to start-up or purchase firms more often than commercial loans, and commercial loans were used to help firms stay in business or expand more often than were SBA loans (Exhibit I-4). While not shown on the above exhibit, we found that the comparison group firms that had obtained commercial financing had used that financing for purposes similar to the recipient group's use of commercial (not SBA guaranteed) loans.

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- Roby, James, Vice President and SBA Sales Manager, Bank of America Community Development Bank, San Diego, California.

Certificate of Originality

"I certify that this paper represents and contains my own work. I have placed all quotations from other sources in a form to indicate that they are not original with me and I have cited the work from which the material was taken. I have included footnotes for all information and ideas that I have taken from other sources."

Susanne Hansen
Susanne Hansen



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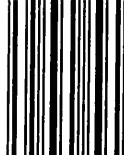


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